

## Israel Attacks Arafat Forces As PLO Chief Prepares Pullout

By Joseph B. Treaster  
New York Times Service

TRIPOLI, Lebanon — Israeli gunboats and helicopters on Friday attacked Palestinian positions in Tripoli, and Yasser Arafat, chairman of the Palestine Liberation Organization, appealed to the United Nations for security guarantees on the sea lanes.

The PLO leader also asked France and Greece to reinforce their escort for the ships that are to

take Mr. Arafat and his men out of Tripoli, possibly next week. Ahmed Abdel-Rahman, one of Mr. Arafat's senior aides, said the Israeli attack early Friday morning against a lightly manned coastal position had put "an obstacle in the face of our withdrawal, so we are asking for new measures to protect our withdrawal."

Mr. Arafat said he was continuing with plans for his departure and indicated he did not believe the Israeli attack would cause significant delays.

Mr. Rahman said the Israeli attack was in retaliation for a bomb placed aboard a municipal bus in Jerusalem on Tuesday that killed four and wounded 43 others.

The Israeli military command in Tel Aviv said its forces had carried out the Tripoli attack, where Mr. Arafat's forces are surrounded by PLO rebels, but it did not directly link it to the bus bombing.

Earlier, Israeli officials had promised they would retaliate for the bus incident. Forces loyal to Mr. Arafat were among three PLO factions that initially claimed responsibility for the bombing.

Mr. Rahman said that the PLO had intended to blow up a military bus rather than a civilian vehicle.

"Our target was a military bus," Mr. Rahman said. "I am sorry for the civilians that were killed and for the Palestinian civilians that are killed all the time."

The Israeli attack began with a barrage of naval gunfire along a stretch of beach just north of Tripoli's port. Palestinian fighters there said half a dozen helicopters flew over their positions and some of them reported seeing small boats close to the shore.

The accounts of the attack and the Palestinian response varied widely. Some witnesses said the Israelis fired only about 20 shells from naval guns and that the attack lasted only a few minutes. Others said the Israeli guns fired for about an hour and delivered hundreds of shells.

Mr. Rahman said one Palestinian soldier was killed and three were wounded. Later, Mr. Arafat said three soldiers had been killed and four wounded.

**Israeli Comment on Attack**  
An Israeli official said the Tripoli operation "should not be seen in the context of Israeli preparations to prevent Arafat leaving." Reuters reported from Tel Aviv.

It was the first Israeli naval attack on the PLO since last year's Lebanon war. Western diplomats had said it undermined Israel's capability to disrupt the planned evacuation of Mr. Arafat's 4,000-strong forces from Tripoli.

**Greeks Ask for Guarantees**  
Greece has asked the multinational peacekeeping force in Lebanon to guarantee the safety of 4,000 PLO fighters during their planned departure from Tripoli aboard Greek passenger ferries. The Associated Press reported from Athens.

## OPEC: A Relative Peace Ministers Manage to Avoid Price Cuts, Quota Changes and Public Bickering

By Bob Hagens

GENEVA — The Organization of Petroleum Exporting Countries met here for four days this week and decided to leave bad enough alone.

Oil ministers from the 13 OPEC nations did not change their prices. They did not adjust their production quotas. They did not solve the internal squabbles that have weakened the organization for years. In a minor triumph, however, they also avoided bickering in public. Last January another OPEC meeting in Geneva ended with Sheikh Ahmed Zaki Yamani, the Saudi oil minister, storming out and telling journalists that the exercise had been a "complete failure."

Two months later, weak demand led OPEC to make the first price cut in its 23-year history, reducing the benchmark to \$29 from \$34.

This week's meetings, which came amid renewed pressure for price cuts, were far less acrimonious. Even the Iranians, sometimes given to fiery rhetoric, seemed conciliatory.

Mohammed Gharazi, the Iranian oil minister, was asked Friday whether he believed the Saudis would help prop up prices by keeping their production down.

"We hope that God helps them, to keep their promises," a grinning Mr. Gharazi said through a translator.

The relative peace does not remove the threat that OPEC will have to make new price cuts. But some OPEC observers said it would help the group's cause.

"It's at least going to contribute something to stability," said Jim Tanner, editor of Petroleum Information International, who described himself as amazed by the relaxed atmosphere of the meeting.

The show of unity appears to reflect a realization that OPEC cannot afford to squabble as much as it has in the past.

"Two years ago, three years ago, life was easy," Kamal Hassan Magur, Libya's oil minister and OPEC's new president, said in an interview Friday. "Now it becomes a very serious business to be an oil minister."

Whether oil prices fall again next year depends largely on events outside OPEC's control. Among them are the weather, which determines demand for heating oil, and the strength of the economic recovery.

OPEC, which accounts for only about one-third of oil sales in the non-Communist world, no longer has the predominance it held in the 1970s.

The next test of OPEC's resolve is likely to come this month. Britain, which is not a member of OPEC, is under pressure from some of its customers to cut prices in the first quarter of 1984.

The most widely traded crude from the British North Sea, Brent, was quoted Friday on the spot market at \$28.55, up 10 cents from midweek, according to Platt's Oilgram. The official selling price is \$30.

A British price cut would place severe pressure on Nigeria, whose crude competes directly with that of Britain. Some traders predict a

return of last winter's events: A British price cut prompted Nigeria to cut its prices without waiting for OPEC's blessing.

To alleviate the pressure for price reductions, OPEC needs to improve its credibility as an organization.

### NEWS ANALYSIS

zation capable of limiting the production of its members, some of which are desperate for more export income.

OPEC chose to paper over its long-standing disagreements at this week's meeting. Saudi Arabia says it wants to keep prices at the present levels at least through the end of 1985; other members want to push for price increases as soon as possible.

In addition, the Saudis still refuse to commit themselves explicitly to a production ceiling; the agreement implies that they will produce no more than five million barrels daily. And the ministers again failed to choose among four rival candidates to preside as secretary-general over OPEC's secretariat in Vienna. The post has been vacant for nearly six months.

These differences are likely to continue to impair OPEC's influence over the market, but the obstacles of the group that were written last winter have proved premature.

Alfredo Parra, a Venezuelan who is one of the four candidates to be OPEC secretary-general, said Friday: "Expectations of a permanently weakened and disabled OPEC must be treated with skepticism."



Danuta Walesa, and her son Bogdan, 13, were welcomed Friday at Oslo airport by Egil Aarvik, the chairman of a Nobel prize committee, when they arrived from Warsaw.

## 'A Little Bit Afraid,' Danuta Walesa Arrives in Oslo for Nobel Ceremonies

By Peter Osno

OSLO — Danuta Walesa arrived here Friday to collect her husband's Nobel Peace Prize, which she said was an honor for "Polish society, for Polish workers" and not the Walesa family alone.

Mrs. Walesa, 34, is on her first trip to the West without her husband, the leader of Poland's banned Solidarity trade union movement.

He decided not to come to Oslo because of the possibility, he said, that the Polish authorities might not let him return and because he could not "drink champagne" while hundreds of Solidarity activists were still in prison.

For Mrs. Walesa, who was raised in a small Polish village, and her son Bogdan, 13, eldest of her seven children, the tumultuous arrival Friday must have been daunting.

Whisked from the airport reception in a limousine, she was thrust before a crowded press conference and acknowledged that she was "a

little bit afraid" as reporters bombarded her with questions for more than an hour.

Describing herself as "just a mother of children" and "basically a kitchen manager," she avoided making political statements. But whatever flutters she may have felt, Mrs. Walesa handled the session with aplomb.

The prize, she said, was a "great joy for Poland" but its only effect on the Walesa family has been a "few more headaches, less time for my children."

She will accept the Nobel award at a ceremony Saturday and make a short statement of thanks written by her husband. He has also written a Nobel lecture that will be read Sunday by a Solidarity activist living in the West. Mr. Walesa had hoped that Mrs. Walesa could be accompanied by one of his close aides, Tadeusz Mazowiecki, but the authorities refused to allow him to leave.

Mrs. Walesa and Bogdan are staying in a suite at Oslo's Grand

Hotel. In the morning they will be received by King Olav V, and in the evening they will be feted at a banquet. She will not meet with members of the Norwegian government.

According to Jakob Sverdrup, director of the Nobel Institute, the peace prize for Mr. Walesa has been one of the most publicly acclaimed in the history of the awards.

"This award was not a political provocation," Mr. Sverdrup said. "We hope that it can contribute to developments that will lead to a better life for all Poles."

In her remarks, Mrs. Walesa sounded a similar theme, saying that she had not anticipated "how important the prize would be for Poland."

At home, Mrs. Walesa has been a stabilizing force for her family since her husband was transformed in 1980 from an electrician in the Gdansk shipyard into the leader of the strongest popular movement of its kind in the history of Communist Europe.

## In New Signal, West Offers East Long-Term Ties

### NATO to Upgrade Participation at Stockholm Talks

By John Vinocur

New York Times Service

BRUSSELS — The Atlantic alliance Friday offered the Soviet Union and the Warsaw Pact the prospect of a long-term relationship, based on realism and moderation, that the allies said could build a peaceful future for the world.

In a statement officially described as an "important political signal," the alliance members addressed the Soviet Union as a potential partner and asserted: "For the benefit of mankind, we advocate an open, comprehensive political dialogue, as well as cooperation based on mutual advantage."

"We extend to the Soviet Union and the other Warsaw Pact countries the offer to work together with us to bring about a long-term constructive and realistic relationship based on equilibrium, moderation and reciprocity."

The overture was part of a political document, called the Declaration of Brussels, adopted by the alliance's foreign ministers at the conclusion of the winter meeting of the North Atlantic Council here.

The document had the appearance of an attempt by the alliance to emphasize for public opinion its desire to avoid confrontation after the start of deployment of new NATO missiles in Western Europe and the Soviet Union's suspension of talks with the United States on reducing middle-range and strategic weapons in Europe.

The alliance appeal for cooperation was not new in itself, but the formulations were more elaborate and the special declaration a clear effort to call wider attention to the alliance as a preoccupation of the North Atlantic Treaty Organization.

At the same time, the alliance urged the Soviet Union to return to the weapons negotiations and said all its foreign ministers would be present in Stockholm in mid-January for an East-West conference on confidence-building measures and disarmament.



Lord Carrington

Secretary of State George P. Shultz of the United States, responding to a question about the possible attendance of the Soviet foreign minister, Andrei A. Gromyko, at the Stockholm meeting, replied: "I think they would be there."

At their session Friday, the foreign ministers also announced, as expected, that Lord Carrington, the former British foreign minister, would take over as NATO's secretary-general in June from Joseph Luns, who is retiring at age 72. The post involves chairmanship of the alliance's meetings and responsibility for its bureaucracy, but has limited policy-making prerogatives.

The political declaration adopted by the ministers was an initiative by the West German foreign minister, Hans-Dietrich Genscher.

According to a European official, the document was meant to show to public opinion, in particular that of West Germany, that after demonstrating its strength through the start of deployment of Pershing-2 and cruise missiles, the alliance was now seeking to establish a wide-based dialogue with the Russians.

"Asked if the alliance was placing new emphasis on deterrence," Mr. Shultz answered at a news conference by saying that the organization's strategy had not changed but that it was taking a close look at its tactics.

As NATO has frequently done in the past, the declaration called on the Warsaw Pact countries "to seize the opportunities we offer for a balanced and constructive relationship, and for genuine deterrence."

Balancing the declaration's gesture toward dialogue, the communiqué attacked the Soviet arsenal buildup, which it said "rests on maintenance of inequality in its favor," the continuing occupation of Afghanistan, Soviet "persecution of human rights supporters" and Soviet attitudes toward Poland.

Mr. Shultz said the alliance was discussing and evaluating the situation in Poland in relation to the possibility of lifting economic sanctions against it. He said the allies were also looking at the Polish government to see if it would "take steps to ease the situation."

### Soviet Sees War Effort

The Soviet defense minister, Marshal Dmitri F. Ustinov, accused NATO Friday of "directly preparing for war" by deploying the new missiles, and he said the move compelled Moscow to increase the size of its nuclear arsenal trained on Western Europe. The Associated Press reported from Moscow. It was quoting a speech by Marshal Ustinov during a visit to Sofia.

At the same time, senior Communist Party officials in the Warsaw Pact met in Moscow to discuss the deployment. A report by the Tass press agency omitted mention of Romanian participation. Romania, though a member of the Warsaw Pact, has issued repeated calls for disarmament by both superpowers.

### INSIDE

■ U.S. Marine commandant hopes that troops in Lebanon can leave next year. Page 2.

■ Sandinista opponents doubt the government's commitment to democracy. Page 3.

■ Zimbababwe's diplomatic circuit is dominated by small-town one-upmanship. Page 4.

■ The medieval manuscript that broke records this week, and why it will be remembered, by Souren Melikian. Page 5.

■ A Spanish court upheld the government's expropriation of Rumasa. Page 13.

■ The dollar hit record highs against the British, French and Dutch currencies. Page 15.



The space shuttle crew walking down the ramp after Columbia's landing Thursday. From bottom: Commander John W. Young, Major Brewster H. Shaw, Robert Parker, Ulf Merbold, Owen K. Garriott and Byron K. Lichtenberg.

## Space Shuttle And Crew Get Examination

United Press International

EDWARDS AIR FORCE BASE, California — After a landing delayed by computer problems, the space shuttle Columbia was inspected Friday and four of its six astronauts began a weeklong battery of tests to see how well their bodies re-adapt to gravity after 10 days in weightless orbit.

In addition to the routine checks, engineers were examining Columbia to look for possible sources of the creaks and groans reported by the pilots in orbit during thermal testing, a spokesman for the National Aeronautics and Space Administration said.

Columbia, carrying the new \$1-billion European Spacelab science station and a collection of research results, glided to a smooth landing Thursday in the setting desert sun here after an eight-hour delay caused by baffling computer problems.

Commander John W. Young and the pilot, Major Brewster H. Shaw, planned to fly back to the Johnson Space Center in Houston later Friday. But Robert Parker, Owen K. Garriott, Byron K. Lichtenberg and Ulf Merbold, a West German, were to remain at the Edwards Air Force Base for the follow-up medical exams.

Scientists want to find out how weightlessness affects the body and, particularly, what causes space motion sickness, which afflicts about 40 percent of astronauts during the first few days in orbit.

The mission produced data from 72 experiments submitted by scientists from 14 nations, and congratulations poured in from around the world. Leaders of Belgium, the Netherlands, Austria, Canada and France praised the crew.

President Ronald Reagan said the expedition proves "there's never a time when we should stop dreaming."

Dr. Burton Edelson, associate administrator for space science and applications, said: "We have gained a wealth of knowledge that we don't believe the Soviets have ever touched. I think this particular mission has put us very far ahead."

The mission went smoothly before the electronic problems on the last day. Five hours before the original touchdown time, a double



Joseph Luns, who resigns next summer as head of NATO, at a press conference Friday.

## Shultz Pledges That U.S. Will Consult With U.K. on Arms Sales to Argentina

Compiled by Our Staff From Dispatches

BRUSSELS — Secretary of State George P. Shultz pledged Friday that the United States would consult with Britain before selling arms to Argentina.

In London, Prime Minister Margaret Thatcher of Britain played down reports of a dispute with President Ronald Reagan over his decision, announced Thursday, to lift the ban on arms sales to Argentina.

"Anglo-American relations are in good heart," she said.

Britain, which fought a 74-day war with Argentina to recapture the Falkland Islands last year, had registered strong objections in advance to the end of the arms ban.

Mr. Shultz, in a news conference at the close of the year-end ministerial conference of the North Atlantic Treaty Organization, said: "We'll consult very carefully with Britain."

The announcement in Washington, he said, "has been interpreted as an arms sales decision. It isn't. It's a human rights decision."

Under U.S. law, arms sales are prohibited to certain countries that violate human rights. With Argentina, Mr. Shultz said, "there has been a dramatic improvement."

He said the decision opens the way for possible arms sales "which will be looked at on a case-by-case basis, after consulting with the British government."

Argentina's civilian president-elect, Raul Alfonsin, will be inaugurated Saturday, replacing the military junta that has ruled for seven years.

Mrs. Thatcher denied reports in British newspapers that said relations were strained because of Mr. Reagan's action on Argentina, as well as over U.S. economic policy, which she criticized acridly in the House of Commons on Thursday.

The prime minister, speaking at the opening of a new office building in London, said the press reports contradicted the "warm and friendly discussion" she had Thursday evening with the U.S. treasury secretary, Donald T. Regan.

"It is with friends that you can talk frankly, never with rancor, always with friendship, always with understanding," she said. "That's the way it is between Britain and the United States. That's the way it will continue to be."

In the House of Commons, Ray Whitney, a junior Foreign Office minister, said the U.S. decision "was not sprung on us." He wel-

comed Defense Secretary Casper W. Weinberger's assurance that Washington would not supply weapons that would help Argentina to invade the Falklands again.

The liberal daily newspaper, The Guardian, said the lifting of the arms ban "represents the most serious rift between Downing Street and the White House since the Thatcher-Reagan partnership began three-and-a-half years ago."

"Reagan Sells Out, Thatcher," the Daily Mirror, which supports Britain's opposition Labor Party, headlined its report.

Newspapers and legislators were quick to recall Mrs. Thatcher's words in an interview last month with the Daily Mail.

"The United States lifting the embargo would be the single most difficult thing for me," she said. "It is the one thing I am very worried about... very, very concerned indeed."

On Thursday Mrs. Thatcher told the Commons that large U.S. budget deficits were "causing high interest rates which are extremely damaging to this country and other European countries" and would in time damage the United States as well.

(AP, UPI, WP)

## U.S. Sues Shell for Colorado Pollution

By Mary Thornton

Washington Post Service

WASHINGTON — The Justice Department on Friday sued Shell Oil Co. for nearly \$1.9 billion to pay for cleaning up dangerous chemical pollution on lands the company leases at the U.S. Army's Rocky Mountain Arsenal near Denver.

The lawsuit, described by Assistant Attorney General F. Henry Habicht 2d as the largest ever filed by "any federal agency that seeks damages for natural resources," was filed in U.S. District Court in Denver at the request of the army.

T.R. Williams, Shell's manufacturing and environmental conservation manager, said the company would "vigorously oppose" the lawsuit and that the \$1.9 billion figure was higher than would be justified by any studies at the site. He added that the army owned and operated the waste disposal facilities at the Arsenal.

Bill Lafield, Shell's manager of public relations, said the company did not deny responsibility for some chemical contamination at the site, which he said had a chemical plant used to produce agricultural pesticides and herbicides.

He said, "Obviously we were there, and some of the contamination is obviously ours." He said Shell had been working with the army for some time "to develop a plan for cleanup."

The issue of contamination at the 27-square-mile (70.2-square-kilometer) site has been an important one in Denver because the site is adjacent to Stapleton International Airport, which has expressed an interest in purchasing Arsenal property for a badly needed expansion project.

In addition to the problem of chemical pollution on the lands leased by Shell, the problem of assessing responsibility has been complicated because the army has

used other portions of the arsenal to test and dispose of explosives and various chemical agents.

According to the federal lawsuit, Shell and a predecessor company leased land at the Arsenal and dumped dozens of toxic chemicals at the site from 1947 until 1982.

It listed 43 hazardous chemicals manufactured or used by Shell at the leased facility on projects unrelated to military uses.

The government said some chemicals "are extremely toxic and hazardous to human, plant and animal life" and that they have been spilled, leaked, pumped, poured, dumped and released into the environment, "including the air, land ground water and surface waters, on and off Shell's leased property on the Arsenal."

Shell is being sued under the so-called Superfund law, which deals with the cleanup of hazardous waste dumps.

## OBSERVER

## Thinking the Thinkable

By Russell Baker

NEW YORK — I have been sitting here for 90 minutes thinking about what to say. This is not a white about the difficulty of the writing trade. To the contrary. Having any time at all to think before you talk nowadays is a luxury, and having 90 minutes makes you as rich as Croesus, at least in terms of thinking time.

The 20th century seems determined to eliminate the gap between thought and word, as well as between thought and deed. Before long, at the present rate of progress, the world will be governed by words and acts based on no thinking at all.

Anyone who has ever appeared on television will know what I'm speaking about. Some years back, I submitted to a television interview — never mind why — by a woman who followed the news. The news that year included public brasserie burnings by demonstrators for women's equality.

I was sitting there, lights glaring, cameras staring. Lord knows how many people out there in their parlors and kitchens looking at me. It flusters you, television, and I was having trouble remembering my own name when the interviewer asked, "How do you feel about brasseries?"

At one time in history a man, asked how he felt about brasseries, might compose himself by taking a long walk and doing some heavy thinking, especially about whether he even ought to answer that question, and come back a few hours later with a sensible response. This was impossible now. We had television. I was on it.

My instinct was to sit there and think for 90 minutes, but I was reasonably sure the punishment for anyone who spent 90 minutes thinking in front of a television camera was hanging, or worse.

And so I said something. I don't remember what. I didn't know at the time what I was saying. It was a simple-minded case of the tongue operating out of control by the brain. Whatever it was, the interviewer gasped and quickly changed the subject, and when I finally left the studio everyone stared at me with such loathing that until four paragraphs ago I had

never since been able to think of brasseries.

Television's refusal to allow thought before speech is only one example of fancy technology's power to make us say and do things no thinking person would dream of doing or saying. Here, for instance, is a recent technological miracle: a quartz wristwatch.

Here is terrifying progress. It never loses or gains a minute. It never has to be wound. So what do you do when a friend with a bad womanizing habit suddenly brags you, saying, "I've just got to have \$200 to make my car payment by tomorrow. Will you lend it to me?"

Until the quartz watch came along, you could slowly unstrap the old stem-winder from your wrist and laboriously wind it. That gave time to think.

The quartz watch makes this impossible. Now when confronted by the gall of this Don Juan trying to gouge you for \$200, instead of calming down by thought-provoking fiddling with your antique wristwatch, you can only blurt, "If I had it to give, you'd just squander it on an Asbury Park weekend with one of those bimbos."

How about the cordless telephone? You can carry it with you. Hurrah! You're up on the roof, you can take telephone calls without coming down. In the old days your wife had to call up: "It's Cousin Arthur. He's coming to town and wants to know if he can sleep on the couch for a few weeks."

You had time to think. "Tell him I'm coming right down." You could sit there thinking. Then: "Tell Cousin Arthur I just fell off the ladder and have to go to the hospital, but I'll call him back in a couple of weeks."

With the cordless telephone, Cousin Arthur now reaches you immediately on the roof. With no time to think, you probably surrender. Or maybe you're so rude that he cuts you out of his will. The sensible thing, on first hearing Cousin Arthur's voice on the phone, is to throw the cordless telephone into the next block.

Of course, if you were the president and Cousin Arthur was a general announcing that incoming rockets were due in 25 minutes, that wouldn't help much, would it?

New York Times Service

## Jacques Vergès

By Brendan Murphy

International Herald Tribune

PARIS — In August 1944, as Klaus Barbie was retreating from Lyons, where he had commanded the local Gestapo headquarters since 1942, the man who nearly 40 years later would assume his legal defense was approaching the city from the south with the French forces that were to liberate it on Sept. 3.

This historical conjunction is but one of the ironies connected with Jacques Vergès, 58, the iconoclastic, leftist French lawyer who last May took the case of the aging Nazi charged with crimes against humanity.

Vergès doubts that the case can be won in a French court, but this former counsel for Algerian rebels in France's last colonial war, the man whom the Paris daily Le Monde calls a "master provocateur," has already shocked French sensibilities with his defense tactics.

Vergès drew bitter reactions when he claimed recently that Jean Moulin, the Resistance hero who did not die in 1943 as a result of injuries inflicted during interrogation by Barbie, Moulin, said Vergès in a statement calculated to open old and painful wounds, killed himself in despair at his betrayal by rivals within the Resistance. Vergès said there was a "conspiracy of silence" by Resistance survivors on this point.

Available evidence suggests strongly that Moulin was fatally beaten by Barbie, and former Resistance members excoriated Vergès for besmirching the memory of the Resistance. Others pointed out that the charges pending against Barbie do not include the murder of Moulin.

But Vergès had already made it clear that he would spare France no anguish in the Barbie case and demonstrated his willingness to resort to a potent emotional arsenal in defense of the man known as "the butcher of Lyons."

Asotic and self-possessed behind wire-framed spectacles, with olive features and jet black hair reflecting his French-Vietnamese extraction, Vergès calls this "la dérive de la répression," a statement of confrontation rather than what he calls "connivance" with the legal system.



Jacques Vergès: "They cannot silence me."

Does he believe that any combination of tactics can possibly produce an acquittal for Barbie? "In a fair court, yes," Vergès said in a recent interview in his office in the Montparnasse section of Paris. "Before a French court in 1984, certainly not."

The trial, in which the former SS officer, now 70, will face at least eight charges of crimes against humanity for the alleged arrest, torture, deportation and murder of civilians — and particularly Jews — in and around wartime Lyons, is not expected to take place until 1985, according to a recent statement attributed to a top justice official.

This official suggested Vergès of stalling by filing preliminary motions demanding Barbie's release, with appeals to higher courts upon their rejection.

## The Lawyer Who Will Defend Klaus Barbie

Is Determined to Put Wartime France on Trial

Born in Thailand, the son of a French colonial official and a Vietnamese woman from Hue, he enlisted at the age of 17 in the Free French Forces of Charles de Gaulle in London, later fighting in North Africa, Italy, France and Germany.

After the war he joined the Communist Party. Though he was to leave it 10 years later, this marked the beginning of a long involvement with leftist causes, particularly in the Third World.

He holds Algerian citizenship and is married to, though now separated from, an Algerian whom he defended at the time of the war.

He says his decision to take on the Barbie case followed logically from his FLN involvement and his wartime service in the French external Resistance.

But some observers accuse Vergès of wielding the Barbie case in a calculated campaign of leftist intellectual "terrorism" directed against French society.

A recent cover story of the center-right Paris weekly Le Point entitled, "Barbie: the Venom," quoted one lawyer for a national organization against racism and anti-Semitism as saying the Barbie case was just a pretext for Vergès to "denounce our institutions and the methods of our state."

Whatever his motives, Vergès clearly aims to make the trial of Klaus Barbie an ordeal for the French and says he cannot be prevented from raising whatever points he believes are relevant to the case.

Vergès says that although the presiding judges in the trial may refuse to allow his questions to be answered by witnesses, they cannot prevent him from posing the questions — nor from commenting publicly on their refusal.

"They cannot silence me," he said, "and the press will be there. Such a trial will take place geographically in the courtroom, but it will take place politically before public opinion in France and around the world. They cannot prevent me from giving the trial the dimensions I wish to give it."

## Cabbage Patch Revenge

It is unbelievable, dreamlike, wonderful to be back in my own language, among my own people, in the theater where I grew up, away Wednesday. He was a little bit of a trouble maker, a little bit of a trouble maker, a little bit of a trouble maker.

A vacation postcard of the Golden Gate Bridge triggered more than the usual envy for auto mechanic John Gosson in Syracuse, New York. Gosson was carrying \$7,500 in cash while riding his motorcycle Nov. 20 on his way to buy a car. The money blew out of his pocket while he was going down the road. Gosson retraced his steps and found \$120. Someone else turned in \$3,120. Gosson published a plea for the remaining \$7,380, but he did not hear from anyone until the week when he received a postcard from California: "John, Welcome to Great! It took me a while to find out who to thank for this vacation. However, I did thank you. It was like 7th heaven, picking and gathering loose change on the highway, which, as I found out, was from you. Anyway, thanks again having a great time. Sincerely, Thankful."

The physicist Carlo Rubbia, who says "physics is fun," was named scientist of the year by Discover magazine for his discovery of two elementary particles of matter. Rubbia's discovery of W and Z particles confirmed the theory that the electromagnetic force, a fundamental force of nature, must be transmitted by three "heavy" photons. The magazine said he "bullied and charmed the scientific community into building the proton-antiproton collider, against the advice of some of the world's best accelerator physicists."

Rubbia, born in Gorizia, Italy, went to the University of Pisa, then moved to New York to attend Columbia University. In 1961, he returned to Europe to join the European Organization for Nuclear Research. He now lives in Geneva.

The Swedish film director Ingmar Bergman is back on the same Stockholm stage from which he was dragged nearly eight years ago when policemen arrested him for alleged tax fraud. Bergman, 65, is making his comeback this week at the Royal Dramatic Theater by staging Shakespeare's "King Lear."

Laurence Olivier is reported in "very satisfactory" condition in a London hospital after undergoing a two-hour kidney operation.

Colin Spooner, a publisher whose last modest success was to organize a rerun of a forgotten title which didn't sell well in Britain. Spooner, who runs his publishing business from his home near Dorchester, England, holds the British rights to "The Day After Tomorrow," the book on which the U.S. television film of nuclear devastation, "The Day After," is based. Despite widespread publicity about the controversial film, U.S. screening and its British TV showing scheduled for Sunday night, "It only dawned on me when I had a letter from the American film company to say the film had been sold to 20-filmers," said Spooner. "We are now making frantic efforts to get it back into the shops in time for the weekend."

Laurence Olivier is reported in "very satisfactory" condition in a London hospital after undergoing a two-hour kidney operation.

Colin Spooner, a publisher whose last modest success was to organize a rerun of a forgotten title which didn't sell well in Britain. Spooner, who runs his publishing business from his home near Dorchester, England, holds the British rights to "The Day After Tomorrow," the book on which the U.S. television film of nuclear devastation, "The Day After," is based. Despite widespread publicity about the controversial film, U.S. screening and its British TV showing scheduled for Sunday night, "It only dawned on me when I had a letter from the American film company to say the film had been sold to 20-filmers," said Spooner. "We are now making frantic efforts to get it back into the shops in time for the weekend."

Laurence Olivier is reported in "very satisfactory" condition in a London hospital after undergoing a two-hour kidney operation.

## INTERNATIONAL CLASSIFIED

## Place Your Classified Ad Quickly and Easily

## INTERNATIONAL HERALD TRIBUNE

By Phone: Call your local HT representative with your text. You will be informed of the cost immediately, and once prepared, it is made up of will appear within 48 hours. Cost: The base rate is \$2.00 per line per day. Local rates: There are 25 letters, signs and spaces in the first line and 36 in the following lines. Minimum space is 2 lines. No abbreviations accepted. Credit: Credit American Express, Diners Club, Eurocard, MasterCard, Access and Visa.

## HEAD OFFICE

Paris: 747-1245.

## EUROPE

Amsterdam: 26-36-15.

Athens: 361-8977/360-2471.

Brussels: 343-1899.

Frankfurt: (0411) 72-67-55.

Louvain: 29-58-54.

London: (01) 836-4892.

Munich: 465-0971/455-3306.

Vienna: 679-3427.

Zurich: 261-1111.

## MIDDLE EAST

Bahrain: Hamra 341-457.

## FAR EAST

Bangkok: 291-0409.

Hong Kong: 5-020906.

Singapore: 234-2723.

Tel Aviv: 504-1925.

## UNITED STATES

New York: (212) 752-3990.

## OTHERS

Cape Town: 616-0202.

Tel Aviv: 02-455-5297.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## ANNOUNCEMENTS

## SUBSCRIBE

## to the

## INTERNATIONAL

## HERALD

## TRIBUNE

## AND SAVE

At a new subscription to the International Herald Tribune, you can save up to 45% off the newsstand price, depending on your country of residence.

For details on this special introductory offer, write to:

B.T. Subscriptions Department, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel: 75-15-15. Fax: 75-15-15.

## IN ASIA AND PACIFIC

Contact our local distributor at:

International Herald Tribune, 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box 10, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

BAGGAGE: Sea Air Freight, Inc., 1000 Transcom Building, New York, N.Y. 10001. Tel: 266-1070. Fax: 266-1071.

## LEGAL NOTICES

SUMMONS IN A CIVIL ACTION: United States District Court, Southern District of New York. P. Paul Hodge, Plaintiff v. Robert Knudsen, et al., Defendants. Summons for First Amended Complaint. To the above named Defendants: You are hereby summoned and required to answer the complaint, which is filed with the court, on or before December 14, 1983, at 10:00 A.M. in New York, New York. Failure to do so may result in a default judgment being entered against you. This summons is being served on you by the undersigned, who is a member of the bar of the Southern District of New York. Witness my hand and the seal of the court this 9th day of December, 1983. William L. Whitaker, Clerk of Court. Gary Barlow, Deputy Clerk. Date: 2 June 1983.

## MOVING

ALPHA-TRANSIT: P.O. Box

## U.S. and Soviet Scientists Agree That Nuclear War Could Destroy Mankind

By Philip Shabecoff

New York Times Service

WASHINGTON — A group of Soviet and U.S. scientists have agreed that a large-scale nuclear exchange could mean the extinction of the human race.

Four Soviet and four American scientists, participating in a forum sponsored by proponents of a nuclear freeze, said Thursday they based that assessment on emerging data about the probable climatic, biological and environmental effects of a nuclear war.

They also agreed that the new evidence made it clear a nuclear attack would be suicide for the nation that launched it, even if there was no retaliatory strike.

The forum, held in the Senate Caucus Room, was called by Senators Edward M. Kennedy, Democrat of Massachusetts, and Mark O. Hatfield, an Oregon Republican.

The Soviet scientists said their own studies confirmed recently published American findings that an exchange using only a small fraction of existing warheads would produce a "nuclear winter" in which smoke and soot would obscure sunlight, temperatures would plunge to below freezing levels even in summer, crops and other ecological systems would be wiped out, radiation would be several times more intense than previously estimated and, when the pall lifted, ultraviolet rays from the sun would reach untold levels.

The Russians said their research indicated additional catastrophic consequences, including the creation of a global "toxic smog," unchecked biological epidemics, a substantial depletion of the Earth's oxygen supply and the probable

shattering of the interconnecting web of systems that sustain life on the planet.

All eight scientists said the new evidence made it imperative that the superpowers freeze construction of new nuclear weapons and begin reducing their existing stocks.

Sergei Kapitsa, professor of physics at the Moscow Physico-Technical Institute, said that until now the idea of nuclear war as a deterrent to nuclear war made some sense as a "tacit mutual-hostage arrangement between the opposing nuclear powers."

"Now," he said, "the whole of the Earth and human civilization itself are held hostage." Any growth of nuclear armaments could only provide security and stability, he added, not only for the nuclear powers but for every country on Earth.

Lewis Thomas, chancellor of the Memorial Sloan-Kettering Cancer Center, said the new American findings had been upheld after review by other scientists and "change everything in the world about the prospect of thermonuclear warfare."

In the past, war, including thermonuclear war, was thought of as a way to achieve territorial or ideological dominance, he said. "Now, with the new findings before us, it is clear that any territory gained will be, in the end, a barren wasteland."

Both the Soviet and American scientists said civil defense measures and technology that envisioned countering nuclear missiles with laser weapons could not conceivably prevent the destruction of a nuclear war and that entertaining such ideas could be dangerously destabilizing.



Attending the Soviet-American forum on nuclear war that was held in Washington on Thursday were, from left, Senator Mark O. Hatfield, three Soviet scientists, Vladimir Alexandrov, Alexander Pavlov and Yevgeny Velikhov, and Senator Edward M. Kennedy.

## U.S. Naval Readiness Called Deficient Due to Misplaced Spending Priorities

By Richard Halloran

New York Times Service

WASHINGTON — Despite three years of rapidly rising budgets, the navy is far from ready to deploy fully armed and equipped aircraft carriers and air wings in the event of war, a confidential report by the General Accounting Office says.

The office, a congressional investigative agency, said the main reason was that the navy spent too much money on new ships and planes in the last three years and not enough on maintenance, fuel, ammunition and support equipment.

In response to the report, the navy said it had been trying for 15 years to overcome the effects of 15 years of inadequate allocations and was beginning to move closer to its desired state of readiness.

The accounting office report said that in two months after a war started only eight of the navy's 14 carriers could be put to sea ready for battle. It said those carriers could be deployed only by stripping shore bases of weapons and equipment.

The navy is required to have eight carriers ready for battle 33 days after the outbreak of a war and 12 ready in 64 days, the report said. In peacetime, the navy usually has five carriers in the Atlantic, Mediterranean, Indian and Pacific Oceans.

The report said that fewer than 60 percent of the navy's tactical carrier aircraft were ready for combat on any given day. Minimum requirements call for 70 percent to be ready.

Moreover, the rates of readiness

figured by the navy were inaccurate and inflated, the accounting office contended. Some aircraft that should have been counted were excluded and others were rated ready for combat even though they were able to fly but not to fight.

The secretary of the navy, John F. Lehman Jr., vigorously disputed the implication that readiness was not a prime concern. Mr. Lehman, in an interview, said of the situation when he took office three years ago: "We had very serious readiness problems through 15 years of underfunding. The day I was sworn in, we had 470 ships and we could not fill the magazines in those ships once, never mind reloads."

The secretary asserted that the navy had made a "fundamental allocation decision in the naval recovery program to make what we have fully ready." He said spare parts, support equipment and other items of readiness had taken more than two years to make and deliver. He said the navy was starting to recover and would continue if Congress voted the appropriations it requested for the next five years.

Secretary Lehman said the figure for eight carriers being ready for service in wartime was correct, adding, "But it was six when we came in." He asserted that readiness ratings for aircraft had also increased in the last three years.

In its report, which was completed late last summer, the General Accounting Office said that appropriations to buy new aircraft rose 33.6 percent, to \$12.2 billion, from 1980 to 1983 as the navy bought F-14 Tomcat fighters to replace outdated F-4 Phantom fighters and began buying F-18 Hornets to replace A-7 Corsairs.

At the same time, however, the operation and maintenance budget for aviation rose only 10.4 percent, to \$4.6 billion. The Atlantic fleet, for instance, reported severe shortages of air-to-air missiles, kits for laser-guided bombs and air-to-ground missiles.

The investigative agency, which submitted the report to the House Government Operations Committee in a closed hearing last month, said the navy had several times the imbalance but, with current budget trends, it would not be rectified until 1988 or 1990.

The accounting office recommended that Congress scrutinize the 1985 navy budget, which will be submitted with the rest of the federal budget in late January.

The report omitted saying, however, that all navy budgets are approved by Congress, which has often cut readiness funds in favor of purchases that will cause money to be spent in the electoral districts of key members of Congress.

More immediately, the investigative agency's report meant that the navy would be hard pressed to have carriers ready for several crises at the same time. Two carriers are now deployed off Lebanon and others are occasionally sent to the Caribbean for a show of force.

In the first quarter of this year, according to calculations by the GAO, the navy's carriers were rated fully ready only 6 percent of the time. They were rated substantially ready 40 percent of the days in the quarter, and marginally ready 7 percent.

They were rated unfit for combat 15 percent of the time. The remainder of the days were for carriers in overhaul.

## Domestic Opponents of Sandinists Skeptical of Plans for Conciliation

By Loren Jenkins

Washington Post Service

MANAGUA — Opponents of the ruling Sandinistas have greeted the government's new campaign of national conciliation as a welcome "first step," but remain skeptical of its ultimate commitment to democratize the country.

Talks with private businessmen, members of the small opposition political parties, priests of the dominant Roman Catholic Church, liberal journalists and independent unionists have indicated guarded optimism about the government's recent steps.

But, like the Reagan administration in Washington, members of the domestic opposition express doubts about the government's good faith in creating a truly pluralistic political system that would guarantee the human and political rights of all the country's three million citizens.

"There definitely has been an opening of the government toward the private sector, the church, the press, the political parties," said a leading businessman who asked that his name not be published. "But there are two basic problems that temper our feelings about them."

"First, there is a general lack of credibility in the Nicaraguan government by the dissidents, based on past promises that have been broken," he said. "Then, we don't really know yet how deep the opening is going to be."

Officials of the Nicaraguan Workers Congress, the country's largest independent trade union, on Thursday hailed the government's announcement of plans for an election but insisted that it must guarantee full political and personal liberty and democratize its social and economic policies.

"For the democratization of the country to be effective, the democratization cannot just be deter-

mined by those in power as it is now," said Sergio Roa, a member of the union's executive. "To have a real democratization we must have the full participation of the people in the process, and that has not yet occurred."

The Sandinists' answer to the critics who have opposed their policies since they came to power in 1979 is that as the country moves toward organizing national elections in 1985, more freedoms will be allowed so that "all political forces" in the country will have a voice in its destiny.

To that end, they have opened up a dialogue with a critical Catholic church, sought a similar dialogue with the country's small opposition political parties, relaxed censorship of the press, sought peace with the business community and offered a sweeping amnesty to anti-government Miskito Indians and a partial amnesty to many of the CIA-funded counterrevolutionary guerrillas fighting them from bases in Honduras and Costa Rica.

To appease their international critics, especially in Washington, the Sandinistas have also made a series of concrete proposals for regional peace treaties that would limit foreign advisers and military bases, curb the arms race among Central American nations, regulate economic and trade relations in the area and guarantee the noninterference of each nation in others' internal affairs.

These moves have also been accompanied by new calls for a dialogue with Washington to defuse a growing sense of crisis that many Sandinists fear could result in a military conflict.

Nicaragua has quietly proposed a meeting between Daniel Ortega Saavedra, coordinator of the Sandinists' nine-member supreme directorate, and Vice President George Bush at the inauguration of

President Raúl Alfonsín in Argentina this weekend.

Few here deny that the Sandinistas have made some moves to seek an accommodation with their critics. Perhaps the most significant has been the relaxation of censorship of La Prensa, the country's only independent newspaper.

The newspaper's editor, Joaquín Chamorro Jr., who is probably the Sandinists' most persistent critic at home, is quick to point out that censorship has not been lifted, just relaxed. Nevertheless, he says, while as recently as a few months ago the censors disallowed an average of 40 percent of all news items he submitted to them, now they can only about 10 percent — most of them irrelevant.

"There is no denying these are changes, serious changes," Mr. Chamorro said. "But there is still a lot to go."

The Catholic church, probably the best-organized counterweight to Sandinist power in Nicaragua, also acknowledges a new mood in the government but questions its ultimate willingness to democratize despite the recent peace overtures.

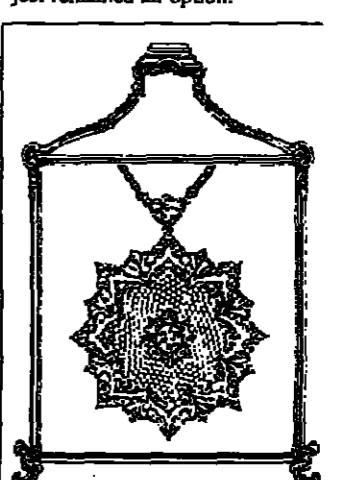
"It is true that the government recently met to discuss its problems with the church hierarchy last month," said one priest close to Archbishop Miguel Obando Bravo. "But what we had was not a real dialogue, just an exchange of views. It was better than what we had before, but it was still not enough to convince that the government is really ready to change its attitude."

### Guerrilla Defeat Alleged

Stephen Kinzer of The New York Times reported from Managua:

Defense Minister Humberto Ortega Saavedra said Wednesday that Sandinist forces had defeated a guerrilla campaign last month aimed at seizing an area near the Atlantic coast town of Puerto Cabezas last month and setting up a provisional government there.

A leader of the rebel guerrillas, Adolfo Calero Portocarrero of the Nicaraguan Democratic Force, said Thursday in a telephone interview from Miami that rebels had not tried to seize a "liberated area" in November but that such a project remained an option.



**BUCCIELLATI**

Paris, 4 Place Vendôme  
New York, 725 Fifth Avenue  
Monte-Carlo, Tokyo, Hong Kong  
Head office: Milan, Via L. Mancini 1

## AMERICAN TOPICS

### Helping America Pay Its Creditors

Americans uneasy about the size of the national debt can do something about it—they can send in contributions to the U.S. Treasury to whittle it down, says the recently formed Citizens for a Debt Free America. The national coordinator of the group, Kay M. Fishburn, hopes that donations will make up the slack after 1986, when a wealthy Texan's trust that channels interest on \$20 million to pay off the national debt comes to an end. A law passed after the trust was bequeathed to the United States in 1961 allows the Treasury to accept debt-reduction contributions, which are income-tax deductible. Last year, citizens chipped in \$901,000. They have a way to go, though, with the national debt now standing at more than \$138 trillion.

### Sills Is Lyrical On Opera Rescue

Back in August, with the New York City Opera's orchestra on strike and its season's opening postponed, General Director Beverly Sills said she was "seriously concerned about the future existence of the NYCO." But this month, beaming, Miss Sills announced that the financially troubled opera company had received \$12 million in pledges, an amount that will give the company security over its next few seasons. "I can't think of a better Christmas present or a more wonderful beginning to our 40th birthday year," said Miss Sills as she announced a \$3-million grant from the Samuels Foundation of New York City. The grant was matched three to one with pledges of \$9 million in private contributions.

### Medal Production Has a Good Year

The U.S. military involvement in Lebanon and Grenada has triggered the award of the largest number of medals and campaign ribbons authorized since the Vietnam War. Several thousand medals and other naval personnel who have served in the Lebanon operation have been awarded the Expeditionary Medal. For Grenada service, the army has awarded the Combat Infantryman's Badge to members of the 82d Airborne Division and the 75th Ranger battalions involved in the island assault.

### FBI Adds Its Team To 1984 Olympics

Getting ready for the 1984 Olympics in Los Angeles, the FBI is training a secret "hostage rescue team" for standby service against terrorist attacks. Director William H. Webster described the unnamed team members as "competent to deal with terrorists in protecting officials, athletes and foreign visitors who could fall into a hostage situation."

### Alamo Face-Lift Causes Grimace

The Daughters of the Texas Republic have drawn the line and are opposing a plan by a

### Chicago firm to renovate the Alamo, a Texas shrine. In a face-to-face confrontation, Jean Macevick, chairman of the group's Alamo committee, told Gary L. Foreman, the Chicago consultant who proposed the renovation, "You're out of your mind."

Mr. Foreman says the Alamo, which was overrun by Mexican troops in 1836 after a 13-day siege, is a disappointment to visitors and needs to be fixed up.

### Notes on People



Walter Cronkite

Now that he's on the other side of the television screen, the former CBS Evening News anchor, Walter Cronkite, isn't happy with what he's seeing. In recent interviews he has characterized the program as more concerned with entertaining its audience and less committed to full news coverage. Mr. Cronkite anchored the CBS news program for 18 years before stepping down in 1981, and he continues to be a special correspondent. He said the staff members who now put the show on the air try "to lighten up the news, make it a little brighter. Perhaps they feel that they can't cover anything and therefore don't try."

In a complaint not uncommon among politicians' spouses, Los Angeles' first lady says she is married to a workaholic who has little time for her. In a Los Angeles Times interview remarkable for its candor, Ethel Bradley says she feels like a prisoner in the mayor's mansion. Her husband, Tom Bradley, has won three times, and finds her role as political wife "less and less tolerable."

Amie Anderson Manahan, who claims to be Anastasia, daughter of Czar Nicholas II, is back in a Virginia hospital after a four-day disappearance earlier this month. Police charged her husband, retired Professor John Manahan, with abduction after finding the 82-year-old woman wrapped in a blanket in the front seat of his car on a rural road. In an October court hearing, a Charlottesville, Virginia, judge named a lawyer as Mrs. Manahan's legal guardian and ruled she was unable to care for herself. Last month, Mrs. Manahan was committed to Blue Ridge Hospital, a move both she and her husband opposed. Friends said that if Mr. Manahan was responsible for the abduction, he acted out of love for his wife and fear that she would be committed to a mental institution.

## 4-Point Plan Proposed To Improve U.S. Schools

New York Times Service

INDIANAPOLIS — The secretary of education, Terrel H. Bell, declaring that mediocre education "saps the strength and vitality of the nation," has urged the 50 states to adopt a four-point program to improve their schools.

In an address to 2,300 educators and political leaders Thursday, Mr. Bell set up these "performance goals" to be achieved over the next four years:

• All high school students should be required to take at least 13 courses in English, mathematics, science and social studies and to pass examinations in each area.

• Educators should strive to raise average scores on the Scholastic Aptitude Test to the level that prevailed in 1965.

• The high school dropout rate should be reduced to no more than 10 percent.

• Teacher salaries should be reshaped to include not only higher pay but also performance incentives that would put the salaries of the most outstanding teachers "within 5 percent parity of school administrators."

Mr. Bell made his proposals at the final session of the three-day National Forum on Excellence in Education, which he convened as a means of promoting the changes called for in April by the National Commission on Excellence in Education.

Participants included governors, members of Congress, school board members, school administrators, teachers and students.

The theme of higher standards was also sounded by President Ronald Reagan in the concluding address. He asserted that spending on education increased drastically in the past 10 years, even as educational standards had declined. "If money alone were the answer, the problem would have been shrinking, not growing," he said.

"American schools don't need vast sums of money as much as they need a few fundamental reforms," he said.

Education Department officials have said that Mr. Bell's budget request for the 1985 is expected to be between the \$15.2 billion approved by Congress for the current fiscal year and the \$13.5 billion



Terrel H. Bell

ceiling for next year which the administration projected in July.

Organized teacher groups criticized both Mr. Bell and Mr. Reagan for avoiding any mention of an increased U.S. role in the reform process.

"It's the same old speech," said Mary Harwood Futrell, president of the National Education Association. "I'm amazed that eight months after the Commission on Excellence report they have yet to indicate how this administration plans to help improve the schools."

Albert Shanker, president of the American Federation of Teachers, said that the president was "doing nothing more than making speeches urging other people to do something about reforming schools."

But others in the audience were enthusiastic about what they heard. Jaime Turner, president of the Arizona School Boards Association, declared, "He said what we continue to hear — that we must give the children of the United States the best education possible and that perhaps we have slipped and have to do something about it."

## OYSTERS FOR YOUR FACE

One of the finest contemporary Biologists, Med. Doctor L. MARCEON, has created this amazingly efficient face cream called P.E. O. P.E.-CREAM, based on the wild oyster (Portuguese) oyster. We quote the B.C.C. "Who knows. The oyster will only give you the cream to the million dollar question."

"AN EFFECTIVE ANTIDOTE TO WRINKLES" TRY IT AND YOU WILL DISCOVER A NEW BLESSING!

Sold in large tubes at U.S. \$20 inclusive of registered postage; if air-post preferred, then add \$3.

Write to: LABORATOIRE I.T.C., 17, Rue de Coligny, 75008 PARIS, France (Champs-Élysées). M. FRANKLIN-ROOSEVELT. Tel.: 563 66 78. In France on sale in Drugstores, Healthfood stores, etc.

## SWAROVSKI

Silver Crystal

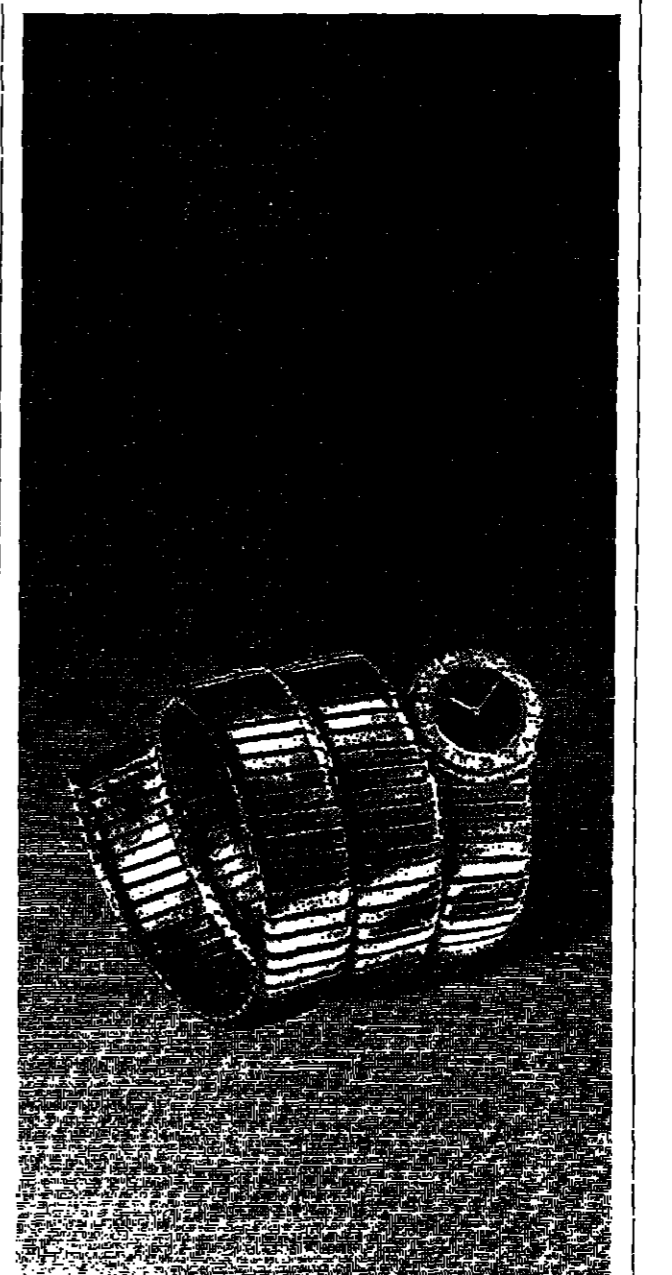
the privilege of perfection



Bright cut / Full face crystal (86% P.F.O.)

SWAROVSKI FRANCE 15, rue de Valenciennes 75002 PARIS 101 (01) 236 00 00

Tel.: (01) 236 00 00



Bulgari quartz watch. Bracelet in alternative strands of yellow, pink and white gold. 18K gold.

**BVLGARI**

10 VIA DEI CONDOTTI ROMA  
HOTEL PIERRE - NEW YORK  
30, RUE DU RHONE GENEVE  
AVENUE DES BEAUX-ARTS - MONTE CARLO  
HOTEL PLAZA-ATHENEE - PARIS

# U.S. General Talks of Early Beirut Pullout

Marine Commander's Remark Reveals Military's Desire to Minimize Dangers

By Richard Halloran  
New York Times Service

WASHINGTON — The commandant of the U.S. Marine Corps, General Paul X. Kelley, has said that he is optimistic that the Marine Amphibious Unit in Beirut can be withdrawn from Lebanon early next year.

General Kelley, who made the remark Thursday, was the first senior military officer to indicate that a time and plan for total withdrawal of the 1,600 marines ashore was under active consideration. A Marine spokesman and administration officials emphasized, however, that no decisions had been made.

President Ronald Reagan, asked in a news conference Thursday whether the marines would be moved from Beirut International Airport, said, "There has been some talk for a long time about a change in assignment there and that still goes on."

Marine officers here suggested that the plans went beyond that to include a phased withdrawal of U.S. troops from Lebanon. Several options were being studied, they said, and gave this basic outline:

• Within a few weeks, the marine unit that is dug in at Beirut airport would be moved to a new site south of the city on the coastal road heading toward the ports of Sidon and Tyre. The marines would be out of the line of fire there and could establish better security.

• Sometime early next year, the marines would move from that site back to their amphibious craft off-shore, returning to the beach from time to time to reassure the Lebanese government that the United States was maintaining its presence there.

• As the Lebanese Army became better trained and the Lebanese



General Paul X. Kelley

government gradually resumed control of the country, the marines could leave. Marine officers acknowledged that the military and political progress of the Lebanese was the most questionable assumption underlying the plan.

The officers said they expected the president and the National Security Council to discuss the plan shortly and make a decision soon. Administration officials have already said a proposal for the first phase would be welcomed in the White House.

The plan would have to be coordinated with the Italians, French and British, who also have troops in the multinational force in Lebanon. Secretary of State George P. Shultz met in Brussels Thursday with foreign ministers of those nations to discuss the situation in Lebanon.

The ministers agreed that the

forces of the four countries should remain in Lebanon to press for a broadly based Lebanese government and for the withdrawal of Syrian and Israeli forces from Lebanon.

That left open the possibility that the marines might be withdrawn and replaced by other U.S. troops, such as an army unit trained for anti-terrorist operations. Defense Department officials have discussed that recently, officials said.

The Joint Chiefs of Staff, Defense Department officials said, have been drafting a plan to move the marines away from Beirut airport. Since that plan was expected to be presented to the National Security Council shortly, General Kelley's statement would seem to add to the military pressure on the president.

A statement by General Kelley, which arose from a comment at the opening of an art exhibition, seemed to reflect senior military officers' concern that the United States avoid being drawn into a quagmire in Lebanon.

General Kelley, questioned through a spokesman, said that he was "not optimistic" about getting the marines out of Lebanon before Christmas but that he was optimistic about withdrawing them within a few months after that. The total number of marines in the Lebanon contingent is roughly 2,000, including the 1,600 in Beirut and others on ships offshore.

The general said he hoped that the various diplomatic and political problems of the situation in Lebanon could be solved and that "the pieces of the puzzle can be picked up and put back together again."

General Kelley said through his spokesman that the decision to

move the marines away from Beirut airport, in accordance with a plan being worked out by the Joint Chiefs of Staff, "is still up to the president." On the phased withdrawal, the spokesman said that General Kelley wanted "to see what happened with one move before looking to the next."

The question was put to the general after he was quoted as saying at the opening of the art exhibition: "It's not going to be a happy Christmas. I'm not optimistic about getting them home by then, but I hope that by early next year the situation will be such that they can come home." His spokesman said the statement was accurate.

## 2 Americans Hurt in Attack

Moslem militiamen attacked U.S. positions at Beirut airport early Friday with rocket-propelled grenades and small arms fire, wounding two American servicemen, United Press International reported from Beirut.

The marines returned fire with a rapid barrage of 40mm rifle-launched grenades and wire-guided Dragon anti-tank missiles, quelling the attack shortly after it began, a Marine spokesman said.

The wounded Americans, a marine and a seaman from a navy construction battalion, were among a group of soldiers clearing bushland along the airport's northern perimeter when Moslem militiamen opened fire with rocket-propelled grenades and small arms.

Lebanese government officials met Friday with the U.S. presidential envoy to the Middle East, Donald H. Rumsfeld, to discuss security matters. Mr. Rumsfeld arrived in Beirut Thursday for the first time since last Sunday's U.S. air raids on Syrian positions in Lebanon.

## WORLD BRIEFS

### Bid to Oust Lambsdorff Voted Down

BONN (NYT) — The Bundestag on Friday voted down an opposition motion demanding the dismissal of Economics Minister Otto Lambsdorff, who is accused of accepting payments that were allegedly meant to influence a decision to grant tax waivers to the giant Flick holding company.

By 274 votes to 196, the parliament turned back the motion by the Social Democrats, who argued that, whether innocent or guilty, Mr. Lambsdorff stained the government's reputation by remaining in his post. Mr. Lambsdorff has denied taking Flick money since he became a minister in October 1977.

### Moslem States Agree on PLO Aid Office

DHAKA, Bangladesh (LAT) — Forty-three Moslem nations have agreed to set up a coordinating office to channel military aid to the badly divided Palestine Liberation Organization.

Under the proposal adopted Thursday but originally suggested by Syria last year, a two-star general will be named to oversee the supply of military supplies and fighting men to the PLO.

Habib Chatil, secretary-general of the Organization of the Islamic Conference whose members' foreign ministers have been meeting here this week, said the new bureau would have its headquarters in Jeddah.

### Printers, Paper Fail to Agree in Britain

LONDON (Combined Dispatches) — Talks broke down Friday between the management and the printers of a group of newspapers in northern England, raising the possibility of a national strike by the printers' union.

The union, the National Graphical Association, said before the breakdown was reported that a walkout at the Messenger, a chain of free papers in Warrington, could spread to national and provincial newspapers if the talks failed. The 24-hour strike began over the timing of a national labor, led to 43 injuries and 86 arrests Nov. 30, when police broke up a prohibited picket line outside the Warrington plant.

Renewed picketing and clashes with police this week at Warrington led a High Court judge in Manchester, Michael Eastham, to impose a new £25,000 (£756,000) fine on the union Friday for unlawful picketing. That brought the total of fines against the union to £675,000. In addition, £10 million in union assets have been seized.

### Reagan Says Grenada Force Cut Again

WASHINGTON (AP) — President Ronald Reagan told congressional leaders Friday that the U.S. military force on Grenada has been reduced below 2,700, but he said "it is still not possible to predict" when all U.S. forces will be withdrawn from the Caribbean island.

White House spokesmen have pledged that all U.S. combat forces would be withdrawn from Grenada by Dec. 23. Mr. Reagan did not repeat that pledge in his letter to congressional leaders, but spokesmen said nothing in the letter should be interpreted as a change in that plan.

The letter, to the speaker of the House, Thomas P. O'Neill Jr., a Democrat of Massachusetts, and the Senate president pro tempore, Strom Thurmond, a Republican of South Carolina, said that U.S. servicemen "will continue to withdraw from the island as a part of a process whereby a peacekeeping force, composed of units contributed by friendly countries, takes over" the responsibilities of the U.S. troops.

### Sharon Says U.S. Plotted His Removal

TEL AVIV (AP) — Ariel Sharon claimed Friday that U.S. Ambassador Samuel W. Lewis had conspired with top Israeli government officials to have him dismissed as defense minister.

Mr. Sharon's charge was made in a letter to Prime Minister Yitzhak Shamir demanding an inquiry and in an interview with the daily Yedioth Ahronoth which published the text of the letter.

The issue blew up after Israeli Radio reported earlier this week that it had obtained a copy of a conversation between Mr. Lewis and the late deputy prime minister, Simcha Ehrlich, in which they discussed getting Mr. Sharon removed. The U.S. Embassy issued a statement that neither confirmed nor denied the report. Mr. Sharon lost his post in February this year at the recommendation of a judicial commission which ruled he shared indirect blame for the massacre of Palestinians in Beirut by Israel's Christian Lebanese allies.

### Iran Tells of Iraqi Attack on Ships

TEHRAN (Reuters) — Iraqi forces attacked a Greek and a Cypriot ship at the head of the Gulf, slightly damaging the Greek ship and injuring two crew members, an Iranian Foreign Ministry spokesman said Friday.

In Athens, the Stravelakis shipping company said its ship, the 16,320-ton Isopetos, was hit in the attack but that all crew members were safe.

The Iranian spokesman, quoted by the IRNA press agency, denied Iraq's version of the incident. Baghdad said Thursday its forces had destroyed six "enemy naval targets" and shot down an Iranian fighter. The spokesman said Iranian Naval and Air Force units defended the two ships and shot down an Iraqi warplane.

### Meese Doubts Many Go Hungry in U.S.

WASHINGTON (AP) — Edwin Meese, 34, counselor to President Ronald Reagan, said he has not seen any authoritative evidence that there are hungry children in the United States and that many people go to soup kitchens "because the food is free and that's easier than paying for it."

In an interview Thursday, Mr. Meese said the Task Force on Food Assistance was created by President Reagan in September "to get to the bottom of some of these allegations that have been unsubstantiated."

The U.S. Conference of Mayors reported in October that "the problem of hunger is indeed continuing to grow in cities." About the same time, a group of physicians told a House subcommittee that studies in the states of Massachusetts and New York and in Chicago found increases in the number of people, especially children and the elderly, suffering from inadequate diets.

### Federal Judge Is Indicted in Nevada

RENO, Nevada (NYT) — Federal District Judge Harry E. Chandler of Las Vegas was indicted by a federal grand jury Thursday on charges of bribery, tax evasion, obstruction of justice and filing a false declaration of his financial affairs.

The chief witness against the 66-year-old chief judge of the federal district of Nevada is Joseph Conforte, 57, a brothel operator in the Reno area for two decades before he fled the country in 1980 to avoid going to jail. Mr. Conforte returned Sunday to the United States from Brazil. He has been in federal custody since then and testified to the grand jury for three hours Wednesday.

There are seven counts against the judge. The first alleges that he asked Mr. Conforte for \$20,000 and received it in cash on Dec. 14 or Dec. 15, 1978. The payment was to influence the judge in his rulings on motions to quash grand jury subpoenas in a federal investigation of voting fraud.

### For the Record

The White House communications director, David E. Geagan, 41, is resigning to join the Institute of Politics at Harvard University's John F. Kennedy School of Government as well as the American Enterprise Institute. President Ronald Reagan announced Thursday. (WP)

The pilot of the DC-9 jet that stayed on the path of a Boeing 727 radiated that he had lost his way for moments before the collision at the Madrid airport Wednesday in which 93 people died, the Madrid newspaper El Pais reported Friday, citing the Spanish Association of Airline Pilots. (UPI)

President Ronald Reagan has invited Prime Minister Pierre Elliott Trudeau of Canada to meet him Dec. 15 to discuss Mr. Trudeau's proposals on disarmament, a White House spokesman said Friday in Washington. (UPI)

The House of Lords, Britain's uppermost house, voted Thursday to allow television cameras into its chambers for an experimental period. (AP)

Ten persons, including a French Air Force general and a British air commodore, were feared dead Friday after their executive jet crashed in rough seas off the west coast of Scotland. (Reuters)

More than 1.5 million signatures demanding the release of 5,000 political prisoners worldwide were presented by Amnesty International to the UN secretary-general, Javier Pérez de Cuellar, in New York Thursday, the 35th anniversary of the Universal Declaration of Human Rights. (UPI)

Deputy Prime Minister David Levy said Friday in Tel Aviv that Prime Minister Yitzhak Shamir had reaffirmed that he would be nominated as foreign minister but said no date had been set. He said that close aides of Mr. Shamir had tried to deny such an understanding. (AP)

Larry Flynt, publisher of the sex magazine Hustler, told a judge in Los Angeles on Friday that an audio tape allegedly showing that automaker John Z. De Loreau was coerced into completing a cocaine deal was a fake. (AP)

France has exploded a nuclear device at its Muroran Atoll testing ground in the Pacific Ocean for the second time in less than a week, officials in Wellington, New Zealand, said Friday. (AP)

## Policy of U.S. Called Threat To Arab Allies

By Joseph Fitchett  
International Herald Tribune

LONDON — A former U.S. ambassador to Saudi Arabia, James E. Akins, said Friday that attempts by the Reagan administration to "use Israel as an armed surrogate" could create threats to the political survival of pro-Western Arab leaders.

The risk of radicalizing the Arab world, he said, is the main danger to the stable outlook for oil supplies, particularly now that Saudi Arabia seems to have re-established its domination in OPEC, the Organization of Petroleum Exporting Countries, on a platform of oil-price moderation.

Mr. Akins, a private consultant who is considered a leading American authority on the Middle East, addressed an "Oil and Money" conference sponsored by the International Herald Tribune.

Mr. Akins attacked President Ronald Reagan's diplomacy as "incompetent" and said the president appears to have committed himself to supporting expansionist Israeli policies.

He said that Secretary of State George P. Shultz "seems to envisage Israel being our Cuba." This shift, he said, stems from domestic electoral pressures and a U.S. desire to hurt the Soviet Union by inflicting a military humiliation on Syria.

Mr. Akins said that Arab disarray has made this policy — and even attempts to break OPEC economically or by military occupation of the Gulf oil fields — sound more plausible than at any time since 1973.

U.S. pressure on Syria, however, forces other Arabs to rally, often reluctantly, behind Syria's president, Hafez al-Assad, thus increasing Soviet influence in the Middle East, he said.

If U.S. moves against Syria spark another Arab-Israeli conflict, he said, it would probably bring "catastrophic political changes in the Middle East in which any leaders known as friendly to the West would be unable to survive."

Mr. Akins, speaking of threats to oil supplies, warned that the Iran-Iraq war is likely to engulf Iraq's Arab allies.

Iraq has offered, with U.S. urging, to withhold attacks on Iranian oil facilities with its new French missiles if Iran allows Iraq to resume oil exports. Mr. Akins said. He said he thought Iran would refuse this offer, and that escalation of the war is likely as a result, probably in the form of Iranian retaliation against oil facilities in Kuwait and Saudi Arabia.

Provided Western governments act cooperatively to prevent a panic buying, Mr. Akins said, Iran would have to destroy 60 percent of oil export facilities in the Gulf to upset the world oil situation, and this is believed to be beyond Iranian capabilities.

Barring such an event, Saudi Arabia has offered an oil pricing plan that involves freezing oil prices until 1985, then indexing oil prices to inflation, and finally, perhaps in 1990, raising prices about 3 percent a year in real terms to match the cost of competitive energy sources by the end of the century.

This formula would mean a bottoming out of oil prices in 1985, then a gradual rise to allow the industrial countries to make a smooth transition to a new energy era. It is "close to ideal for both exporters and consumers of petroleum," Mr. Akins said.



RETURN TO ARGENTINA — Former President Isabel Perón greeted well-wishers on her return Friday to Argentina from self-exile in Spain to attend the presidential inauguration Saturday of Raúl Alfonsín. Mrs. Perón, who was deposed in a military coup in 1976, left Argentina in 1981. She plans to stay in the country until Monday.

## 2 North Koreans Get Death Sentence For Burma Attack on South Koreans

The Associated Press

RANGOON, Burma — Two North Korean Army officers were sentenced to death Friday for the bombing in October that killed 21 persons here, including several top South Korean officials.

One of the defendants had confessed that the bomb had been meant for President Chun Doo Hwan of South Korea, who was in Rangoon on a state visit.

Mr. Chun, who was late for a ceremony at the memorial north of Rangoon where the bomb had been placed, escaped the explosion. But 17 of his top aides were killed, including four cabinet members. Four Burmese also were killed, and 46 people were injured.

The Rangoon Division People's Court rejected clemency appeals for both North Koreans, Major Zin Mo and Captain Kang Min Chul.

Major Zin's lawyer appealed for a lenient sentence because of injuries his client had suffered during a suicide attempt while trying to evade capture. Captain Kang's lawyer argued that his client had confessed his role in the Oct. 9 bombing at the Martyr's Mausoleum.

North Korea suffered a sharp setback this week when a General Assembly debate on terrorism turned into a global referendum on the bombing in Burma.

Forty-three Western and Third World delegations condemned the Rangoon incident in their speeches before the assembly's legal committee, and almost half of them backed the conclusion of Burmese investigators that the North Korean government was responsible.

In addition, Costa Rica joined Burma in announcing that it was breaking relations with Pyongyang. Australia said it would not entertain proposals to resume ties, and Japan confirmed recent steps to restrict exchanges with North Korea.

One of the most telling blows was what one U.S. diplomat called "the spectacular silence of North Korea's allies." Only China suggested that condemnation would be unfair until all the facts were in.

North Korea's representative, Han Si Hae, called the charges a conspiracy by South Korea, Japan and the United States.

## Shuttle Checked for Computer, Noise Problems

(Continued from Page 1)

computer failure forced an unprecedented landing delay.

Lieutenant General James Abrahamson, associate NASA administrator in charge of the shuttle program, said the cause of the problem remained a mystery, but predicted the trouble would be isolated and fixed in time to keep the next shuttle launch on schedule for Jan. 30.

Achievements of the mission included:

• Scientists for the first time found deuterium (a cousin of hydrogen), methane gas and carbon dioxide in the upper atmosphere.

• Detailed mapping pictures were taken of 43 areas on Earth, some of which had never been photographed from space.

• The astronauts created a very porous type of aluminum and grew a super crystal in a series of experi-

ments with implications for the electronics and computer industries.

• They found an increased reliance on vision for establishing orientation in space since there are no gravitational cues for the body's inner ear balancing system. One experiment invalidated a 77-year-old Nobel prize-winning theory on the vestibular responses, which underlie routine ear tests.

• Four experiments gathered data about how the magnetic fields and electrically charged gases around Earth respond to stimulation.

• New findings were reported on the composition of distant stars.

• Problems on Previous Flights

William J. Broad of The New York Times reported:

Balky computers have nagged the space shuttle from its first test

landing in 1977, to the countdown for its maiden flight in 1981 and to its most recent mission.

But Thursday's failure of two of Columbia's five main, general-purpose computers, a failure that almost kept the craft in space an extra day, was unusual because never before in the space program had more than one computer gone awry at a time.

Computer No. 2 was back on line soon after it failed, but Mr. Young said No. 1 had apparently "hard failed." He tried without success several times to restart it and finally the control center in Houston told him to declare it dead.

"When you have a problem like this, you can't know at the time whether it's the computer or something leading up to it," said Justin Fishbein, a spokesman for International Business Machines Corp., which built the main computers.

**CLASSIFIED INFORMATION**

Have you looked at the bottom-half of this paper's back page today? What you find there is Classified. Small space ads. Small cost ads. Yet each insertion reaches more than a third of a million influential and affluent Trib readers in 164 countries around the world.

Whatever the advertising category, more and more individuals and companies are turning to the International Herald Tribune as a highly effective newspaper for placing Classified for qualified respondents.

The maximum advertising cost is only \$8.60 per line. Usually, it's much less. For example, \$6.50 per line if your ad runs 4 consecutive days. If what you are trying to sell or promote is listed below, we have some Classified information for you.

- |                     |                       |
|---------------------|-----------------------|
| Air Couriers        | Financial Investments |
| Air Freight         | For Sale and Wanted   |
| America Calling     | General Positions     |
| Animals             | Available             |
| Announcement        | General Positions     |
| Antiques            | Wanted                |
| Antique Fairs       | Health Services       |
| Apartment           | Holidays and Travel   |
| Exchanges           | House Exchanges       |
| Art                 | Hotels                |
| Art Exhibitions     | Imports               |
| Auction Sales       | Industrial Premises   |
| Automobiles         | Legal Notices         |
| Auto Rentals        | Legal Services        |
| Auto Shipping       | Low Cost Flights      |
| Autos Tax Free      | Money Management      |
| Aviation            | Moving                |
| Baggage Shipping    | Nightclubs            |
| Births              | Offices for Rent      |
| Boats               | Offices for Sale      |
| Books               | Office Services       |
| Business            | Offices Wanted        |
| Opportunities       | Pen Pals              |
| Business Services   | Personals             |
| Camps               | Precious Stones       |
| Catering            | Real Estate to Rent   |
| Chauffeur Services  | Real Estate for       |
| Christmas Gifts     | Time Sharing          |
| Churches            | Real Estate for Sale  |
| Collectors          | Religious Services    |
| Colleges            | Restaurants           |
| Commercial Premises | Schools               |
| Cooking Schools     | Scriptures            |
| Dredging            | Secretarial Positions |
| Diamonds            | Available             |
| Domestic Positions  | Secretarial Positions |
| Available           | Wanted                |
| Domestic Positions  | Services              |
| Wanted              | Shopping              |
| Education Positions | Stamps                |
| Available           | Style                 |
| Education Positions | Tax Free Shops        |
| Wanted              | Trucks                |
| Employment          | Universities          |
| Escorts and Guides  | Vehicles              |
| Executive Positions | Video Cassettes       |
| Available           | Weekend               |
| Executive Positions | Wines and Spirits     |
| Wanted              | Worldwide             |
| Exports             | Entertainment         |

In addition to the Classified ad columns on the Trib's last page, Classified space also runs in a number of regular advertising sections within the paper which appear on various days of the week: Wednesdays - Business Opportunities; Thursdays - Executive Positions; Fridays - Real Estate, Holiday & Travel and Weekend Activities; Saturdays - Executive Positions, Schools and Universities, Art Galleries and Auction Sales.

For more information on placing your message in a Classified section of the International Herald Tribune, contact your nearest IHT advertising sales office.

**Herald Tribune**  
Published With The New York Times and The Washington Post

كندا من الأصل

## ARTS / LEISURE

The Bronze Kingdom  
Of Pablo Serrano

By John Oakes

International Herald Tribune

CRIVILLÉN, Spain — Pablo Serrano is making a rare visit to Crivillén, the tiny Aragonian hill town where he was born 73 years ago. Preceded by a crowd of children and local dignitaries, the sculptor strolls down the street named in his honor to the square named in his mother's honor. He gazes appreciatively at the butcher's new weighing scale, gives the children pesetas, and embraces, it seems, everyone in the village.

"This is his kingdom," a friend remarks. If that is so, the region has never seen a more benevolent despot.

Since his return from Uruguay in 1954 — "I went there to escape the draft, and stayed," he laughs — Serrano has become one of Spain's most prominent artists. His bronzes are in the parks and collections of every major city in Spain, and many elsewhere. The first contemporary Spanish artist to have his work in the collection of Lenin's Hermitage, Serrano, named recently to the Spanish Academy of Arts and Letters, was asked by King Juan Carlos to design a sculpture for the royal palace.

Despite his successes, Serrano's art remains non-establishment if

not anti-establishment. It is art for the spectator's sake, projecting a consistently humanist message. Serrano depends on such unfashionable concepts, he says, as "sharing love and communicating."

Inevitably, that attitude — as evidenced in the few sculptures that were direct political commentary — led Serrano into confrontation with the Franco regime.

"Los fajados: Conmemoración de los 25 años de Paz" (The bandaged ones: Commemoration of 25 years of peace, 1953), small figures imprisoned by tightly wrapped bandages through which peek an occasional eye or gaping mouth, were a bitter commentary on the quarter-century of fascist rule.

It was perhaps a result of these tortured sculptures (and their ironic subtitle) that Serrano's 1966 project for a monument to the Spanish poet Antonio Machado — who died in exile in 1939 — was forbidden by the government; the massive head, a stunning heroic portrait, was subsequently installed in the New York Museum of Modern Art's sculpture garden.

"Machado was a moral example, the most important cultural and social figure to have come out of Spain for some time," Serrano says.

Serrano aspires to be a moral example in his own right. Even the series "La quema del objeto" (The burning of the Object) apparently



Serrano's "La Piedad" (1972).

abstract, surely decadent, is consistent with his humanist vision, Serrano says.

Sculptures of metal frameworks in which paper or wood boxes were set on fire, the *objetos quemados*, were "the realization of an ideal, the idealization of reality, the movement from the physical to the liberty of the ideal. The objects were burned to achieve a pure state," inspiring visions of the ideal.

Although, Serrano says, "art is opposed to materialism," an artist must function as a critic of society, as an agent for change. "But," he quickly adds, "I respect the option of other artists not to do that."

Serrano's sculptures present a silent appeal to participate in the artistic experience. In his "Hombres con puertas" (Men With Doors), a portal in the sculptures opens to reveal a golden, warm interior of highly polished bronze, a startling contrast to the brutal outer surface. By opening the door of one of these sculptures — made conspicuous by large hinges, to suggest the work's potentiality — the spectator accepts the artist's challenge, communicating directly with him.

"The 'Hombres con puertas' are waiting for others to literally open their doors, to free them," Serrano says. "Communication is the force that opens any door, and when people do interact, responding positively to one another, they encounter the ideal."

In the late 1960s, Serrano began sculpting "Unidades-yunta" (Units). Pairs of biomorphic figures, the halves of each "Unidad" are identifiable as either male or female. The sculptures are often presented slightly apart, suggesting the possibility of a harmonious union.

Both parts of these sculptures form an independent artistic work, but they are conceived of as a whole — the potential for commu-

nication now taking place within the "unity" itself as well as between spectator and sculpture.

Serrano soon incorporated male and female elements in each half of the sculptures, forming "sub-units." Explaining this development, Serrano draws a yin-yang figure, each half of which reflects shapes in the other half, each interdependent and similar to the other.

"We have to discover," Serrano writes, "this capacity in each one of us to create and to communicate as a condition of life and a reason for our existence."

Serrano found a symbol that indicated this need and capacity in ordinary bread. Consciously drawing upon Judeo-Christian tradition, Serrano calls the act of sharing bread a natural manifestation of a "unity," the ultimate expression of communication." He has used the idea in sculpture and graphic works.

Recently, the artist has taken off an unexpected direction. "A complicated effort to render three-dimensional interpretations of the Cubists' guitars. I like the Cubists because of their dialogue between poetry and reason, or poetry and geometry," Serrano says.

This "diversion," as Serrano calls it, brings to mind his earlier "Entretimientos sobre el Prado" (Meditations on the Prado) a satirical series on the paintings of Goya and Velazquez.

Yet Serrano, known for his generosity in helping young artists, is neither cynic nor satirist at heart. His goal, he says, is to express a "spiritus mundi."

"But the philosophy behind my art is visionary, not realistic," Serrano says. "Not everybody can understand, not everybody is open. I speak of an ideal that doesn't exist. Consequently, I find myself limited, but I also find myself looking for new ways to express the humanist possibility."



Pablo Serrano in his studio.

## 'Vassa': A Flamboyant Gallery of Gorky Rogues

By Thomas Quinn Curtiss

International Herald Tribune

PARIS — Maxim Gorky in a sentimental moment once wrote: "Man! There is a noble ring to that word!"

Despite this flamboyant declaration, the men of his stories are in large measure, as he dubbed them, creatures that once were men: a vast rogues' gallery of thieves, murderers, charlatans, wife-beaters, drunks, and sly, greedy merchants, while the "heroes" of his trilogy, Kim Sangin, though not of the criminal class, lacks the needed spark of magnanimity.

What Gorky glorified was not man, but woman. He was not blind to feminine faults, but he sang of resilience and fortitude. Probably the strongest of all his creations is Vassa Zlezneva, in the play of that title. From it, Gleb Pavlov has distilled in "Vassa" the most arresting film to have come from the Soviet studios in a lengthy spell.

Gorky wrote the first draft of the play in 1910, but its performance

was prohibited by czarist censorship. In 1930 he revised it, aware that he had a formidable personality in Vassa, a woman of granite and ferocious drive. She is a Mother Courage monument, overcoming all that stands in her way, and it is significant that Brecht attempted to adapt this Russian melodrama. Its pessimism runs pretty high at times.

Vassa, owner of a Volga River boat line, rules her relatives with an iron hand to preserve the family fortune. When her dissipated husband, a former naval captain, is to stand trial on morals charges she forces him to commit suicide to avoid a scandal. She refuses to let her daughter-in-law, who is engaged in revolutionary activities, have her son as she wants the boy to be heir to the firm. She prevents her elder daughter from leaving the country and ruins her life, while her 16-year-old daughter, spoiled and childish, is lured into debauchery by her alcoholic uncle. The crippled, idiotic son has been eliminated from the script as the piling on

of sordid horrors might topple the tragedy into caricature.

The setting is Nizhny Novgorod (the city that now bears Gorky's name) in 1913, and Panfilov has recreated the place and period with a wealth of details: the stately mansion of the rich trader; the general gloom that prevails there, broken only when gypsy singers and dancers invade for a wild evening in the absence of Mother Vassa; the ceremonies aboard a Volga excursion boat; and the concentrating of high life and low life with its rumble of coming disaster.

There are lovely atmospheric vignettes to elevate the threatening monotony of the heavy narrative. One of these is the adolescent girls' sister-in-law at the piano — rendering an old-time waltz. In its pastel hues it captures a flash of a civilization that has vanished. The acting by all is perfection, ever a sign of excellent casting and direction, but it is Inna Churikova as Gorky's indomitable anti-heroine who through thick and thin hypnotically holds attention, providing the film with abiding unity.

Some of the best French films have taken the occupation for their subject: René Clément's "Jeux Interdits," Antoine Leca's "La Traversée de Paris," Noël-Noël's "Le Père Tranquille," and Marcel Ophüls' documentary, "Le Chagrin et la Piété." In Jean-Marie Poiré's "Papy fait de la résistance" we have the calamity viewed as a slapstick.

Laughter can be a powerful weapon as Ernst Lubitsch's mockery of the Nazi occupation of Warsaw, "To Be or Not to Be" has proven, though it was derided as a breach of taste when first seen. Poiré, transforming the unforgotten Germans and Gestapo agents into Keystone Kops, wins some automatic guffaws, but he keeps Jacques Villeret masquerading as an obese Hitler on overtime, even coaxing him into a witless nightclub turn.

Jacqueline Maillan, always an entertaining comedienne, is an asset as an opera diva disgusted with her German bosses. Alas, things will again when she is away. Michel Galabru, a seasoned funnyman, is the brave Papy and encounters more opposition from the scenario than from the enemy. The gags bomb when these two headliners are absent.

Claude Sautet's "Garçon!" seems in doubt which way to turn

and as a result never arrives at any destination, merely filling the two-hour time schedule. It is intended as a cartoon of a conceited pop-jay of a bistro waiter who flirts from one woman to another and makes a mess of all his love affairs. Or is this intended as social satire? What was expected was smart boulevard high comedy ideally suited to the talents of his star, Yves Montand. Sautet, however, is not the director for such larks, but on the serious side he has nothing to say and his film is wanting in discernible purpose. Its dialogue and intrigues are commonplace and predictable. Montand executes his restaurant duties with a flair, but his romances are banal and his colleagues are dull dogs. In all, a disappointment.

Maurice Pialat whose slice of low life, "Loulou" (not to be mistaken for Wedekind's "Lulu"), introduced an original, young filmmaker, has come up with another original, "A One Year Love," a film about a 15-year-old flapper trying to learn what love means. Her flesh is willing, but her affairs lack heart and deep involvement. Yes, another mixed-up kid and, of course, the generation gap. Her problems are depicted, but no sage advice is given her. Perhaps she should be told what La Rochefoucauld said on the matter: "No one would have ever fallen in love unless they had heard about it." In any case, an interesting film on a familiar theme.

From Hungary comes "Princess" of Pál Erdős, shot in black and white, and colorful, too, in its disclosing of the drab lives of two girls who toil and moil in a Budapest textile factory. The material, true enough, is black, but there is no reason — save a lack of invention — why it should be deprived of dramatic animation. Let it not detain us as there is better news from Magyarland: an informative book on the Hungarian cinema.

Its title is "Word and Image," by István Nemeskürty, published in English by the Corvina press of Budapest. It deals not only with the post-World War II native productions, but relates the history of filmmaking in the land from its beginning in the 1890s and contains accounts of Hungarian-born directors, producers and players, such as Alexander Korda and the experimental Paul Fejos, who gained high reputations in Hollywood and elsewhere. It is an invaluable volume for all those interested in international filmmaking.



Inna Churikova in "Vassa."

## The Two Classes of Buyers at Auctions

International Herald Tribune

LONDON — The medieval manuscript sale held on Tuesday in London will be long remembered by the public as the occasion on which a very important manuscript

## SOUREN MELIKIAN

script established a world record for any work of art at £8.14 million (\$11.8 million), including premium.

To market professionals, however, it holds another, rather ominous, message. It will be seen as the sale that symbolized the breakdown of the old auction system, in which prices were established through a spontaneous confrontation of bidders pitched against each other. There are now two distinct classes of buyers, institutions who are gently induced to pay the earth, and the others.

Without the extraordinary campaign masterminded by Sotheby's (and their rival Christie's) would no doubt have worked along similar lines) the Gospel Book commission dated 1275 by Henry the Lion, duke of Saxony and Bavaria, would never have reached the price it eventually fetched.

No one would question the supreme importance of the work in terms of political and cultural history to Germany and even Western

Europe. No one would deny that finding a manuscript of that period that drove the West Germans into a state of frenzy and, it seems, the Paul Getty Museum as well.

But this in itself does not explain the price. The field is a highly rarified one, with few private collectors worldwide. Upward of £500,000 to £600,000 are not private buyers, as far as professionals know. This leaves only a few institutions.

Manuscripts, unlike oil paintings or sculpture, cannot be displayed permanently — the fresh colors fade away if exposed to any source of strong light. Their appeal to boards of trustees and museum directors is accordingly limited.

It should be added that despite its historical and art-historical interest — the manuscript has allowed the reconstruction of the 12th-century school of German illumination based at Helmarshausen — it is not the greatest work of art from medieval Germany. The paintings are archaic, stereotyped and arguably decadent. The book hardly compares with the great production of the early Ottonian period, such as, say, the Reichenau school.

It was a must for West Germany as a national heirloom, but other great non-Germanic museums would have other priorities. Sotheby's achievement was to create

through the cleverest publicizing campaign ever witnessed a climate that drove the West Germans into a state of frenzy and, it seems, the Paul Getty Museum as well.

To reach such a phenomenal price with only one very determined buyer, the West German team headed by Hermann Abs, one half-determined buyer, the Paul Getty Museum, which took the unprecedented step of stating after the sale that they had not been bidding, and a third unknown party — the Metropolitan? Cleveland? — is a sensational feat. But the early estimate quoted by Sotheby's "in excess of £1 million," which was later changed to "in the region of £3 million to £4 million" underlines the artificial nature of the operation and emphasizes the clumsiness of institutions on the market.

It is an elementary rule of conduct on the art market not to disclose your anxiety to buy, particularly not to the auction house, which will defend the vendor's interests and its own — the bigger the sale, the bigger the commission and prestige.

The prospective buyer of a major work does not help his case by going to the auction house expert and repeatedly asking him how much he thinks it will fetch. Anxious questioning can only induce the expert to suggest an ever-rising limit, which is exactly what happened with the Gospel Book as it had happened previously at the Von Hirsch auction in June 1978. In both cases, the works involved were German, and in both cases a team headed by the same banker, Hermann Abs, conducted the negotiations.

The difference that institutional anxiety, when cleverly steered by an auction house, can make to the price of a major work of art is made glaringly obvious by the price fetched in the same sale by the other major manuscript, The Book of the Hours of the Virgin illuminated at Rouen around 1460-75 has 38 very large miniatures and broad panel borders brilliantly decorated on every one of its 170 leaves. Their freshness is as miraculous as that of the Henry the Lion Gospel Book, although this is admittedly not as rare in a 15th-century manuscript as in a 12th-century one. Christopher de Hamel, Sotheby's expert on medieval manuscripts, went out of his way to stress its importance, calling it (in block letters) "probably the greatest and most splendidly preserved Book of Hours from the whole Rouen school."

This surely deserved the attention of a museum. It will end up in one. But the focus in that sale being on Henry the Lion, they apparently

forgot about it. The contest was confined to two dealers, H.P. Kraus of New York and Pierre Berès of Paris. Berès got it at £330,000. Why weren't museums going after it on Tuesday instead of getting it later, as one eventually will, at two or three times the price?

A similar question could be asked in connection with what Sotheby's called the earliest complete pack of hand-painted cards in existence, painted, de Hamel wrote, about 1465-75. When it appeared at Drouot in December 1978, it fetched just over 11,000 francs (then about \$2,600). According to trade sources, the buyer was an Amsterdam dealer, J.H. Kenter. On Tuesday at Sotheby's, the Metropolitan Museum of Art bought it for £99,000 (with the buyer's premium).

In the meantime, the label had been revised by Christopher de Hamel from an "incomplete pack of Tarot cards," possibly 16th- or 17th-century, to a "complete pack of playing cards" ca. 1465. But aren't museums supposed to have their own experts? Or don't they keep an eye on auction catalogs?

There is an amusing footnote to the story. A controversy over the pack of cards is now going on in collecting circles. Some say that the cards have been touched up, others are even dropping dark hints that the pack of cards has a 19th-century feel. The fact remains that only the excitement so cleverly stirred up in the museum world, the pack of cards was taken to New York in mid-November — could have resulted in this fantastic jump from the equivalent of £1,300 in 1978 to £99,000 within five years.

Dutch Painters  
Occupy Museum

The Associated Press

AMSTERDAM — The Rijksmuseum, home of a large collection of Rembrandt masterpieces, closed Friday after 60 Dutch artists began a sit-in to protest government saving measures.

The artists put down their bedrolls in the museum's galleries Thursday, and after negotiations with museum officials, were allowed to stay.

The Netherlands government, which currently buys art works for which there is little or no interest on the open market, has announced it intends to cut its subsidy to artists from 130 million guilders (\$43 million) annually to 30 million guilders over a three-year period.

## International Art Exhibitions

PARIS

OPEN ON SUNDAY 11\* DECEMBER

65 ANTIQUE DEALERS

from

Carre Rive Gauche

Rues du Bac - Beaune - Uffe - St-Pères

Université - Verneuil - Quai Voltaire

11 a.m. - 9 p.m.

## WALLY FINDLAY

Galleries International

New York - Chicago - Palm Beach

Beverly Hills - Paris

EXHIBITION

MICHEL-HENRY

IMPRESSIONISTS

POST-IMPRESSIONISTS

AND MODERN MASTERS

2 Ave. Matignon - Paris 8th

Tel. 225.7074, Monday thru, Saturday

10 a.m. to 1 p.m., 2:30 to 7 p.m.

Wally Findlay George V

Hôtel George V - 723.54.00

SEBIRE

31 Ave. George V - Paris 8th

daily - 10 a.m. - 9 p.m., Mon. - 7 p.m. - 9 p.m.

LONDON

LEFEBVRE GALLERY

30 NEWTON STREET, W1,

01-492 1572

IMPORTANT XX

AND XX CENTURY WORKS

OF ART ON VIEW

NOVEMBER 22nd-DECEMBER 21st

Mon-Fri 10.5-5.30 Sat 10-12.30

MARLBOROUGH

JOHN PIPER

Romantic Place

until 14 January 1984

6 Albemarle St, London W1.

Tel 01-629 5161

Mon-Fri 10-5.30, Sat 10-12.30

MONTREAL

CZECHOSLOVAKIAN ART

IN MONTREAL

The 21 best Czech artists, engravers and

sculptors of the 19th and 20th centuries

a selection of 166 works of art from September 20, 1983, to

January 15, 1984 at the

MONTREAL ART CENTER

45 Boulevard de la Gare, Montreal

Tel. 0102.33.0000



FELIX VERCEL

presents

LOEB

8 - 31 december

9 AVENUE MATHIGNON

PARIS 8\* 256.25.19

GALERIE MARION MEYER

To January 30

MAN RAY

15, rue Godefridi, Paris 6\*

Tel: 633.04.38

250

Antiquaires

DES ANTIQUAIRES

2 rue de Valenciennes

Paris 10\* 20.22.11.14

Now on Exhibit:

"ENFANTS DU PASSE"

ORNIYA

GALERIE

de la

CORRATERIE

ECOLE

DE PARIS

Boudin, Renoir, Utrillo,

Vlaminck, Marquet.

13, Corraterie, Geneva.

Tel. 022/28.88.80.

## Collector's Guide

Collection of

RAKE CAUCASIAN RAGS

FOR SALE

Large selection,

reasonable prices.

For details: Call Zurich 01 765 48 27.

In order to prepare a

descriptive catalog on

JEAN FAUTRIER

we wish to receive documents

about paintings. We also are

interested in buying paintings

GALERIE JEANNE CASTEL

Marie-José Lafont

3 Rue du Cirque 75008 PARIS

Tel. 239.71.24

حکومت الاحل

# Japanese Leader Nearing Test of His Strong Rhetoric

By William Chapman  
Washington Post Service

TOKYO — Judged by rhetoric alone, Yasuhiro Nakasone was a smashing success in his first year as a prime minister bent on painting a new picture of Japan in the world.

He sketched a Japan tilting westward, unequivocally bound to the United States and Western Europe, and ready to shoulder some of the economic and military burdens his predecessors had avoided.

He tackled many of the bugaboos of national defense that had

long shackled this constitutionally pacifist nation and left the impression abroad that Japan was prepared to line up militarily against the Soviet Union.

But Mr. Nakasone's first year in office ended with some skeptical voices asserting that he promised more than he could deliver and raised expectations that were bound to be embarrassing if unfulfilled. This view will be tested in elections Dec. 18 for the powerful lower house of the Diet.

The prime minister, the critics say, is bound by constraints of pub-

lic opinion and finance that may prevent him from realizing his promises. It is the view not only of traditional critics but also of some who share his diplomatic goals.

"It is true that he did make Japan more international and made it more understood in the world," said Bunroku Yoshino, a former career diplomat who is president of the Institute for International Economic Studies.

"But he has given impressions that will lead the United States to expect a greater responsibility in defending this part of the world, and although I agree with that, it is a question whether Japanese public opinion is mature enough to accept this."

The press puts the criticisms more crisply. Mr. Nakasone's performance is not keeping up with his promises, said Nihon Keizai Shimbun, a conservative business newspaper: "Words without actions cause friction later, domestically and internationally."

Mr. Nakasone has neither the financial resources nor the national consensus to back up his promises to the world, the Mainichi Shimbun said.

The verbal differences between Mr. Nakasone and his predecessors are surprising, even to the Japanese. The foreign policy of most of them was to be nice to everybody and say nothing that might get in

the way of Japan's post-war economic expansion.

Only six years ago, when Takeo Fukuda was prime minister, foreign policy was officially described as "omnidirectional," which meant that it looked in all directions for friends and had no enemies.

Mr. Nakasone deliberately changed all that. He speaks openly of the "Western alliance" of which Japan is a part. He backed the deployment of U.S. medium-range missiles in Europe and supported the U.S. invasion of Grenada. One predecessor, Masayoshi Ohira, in contrast, initially balked at the idea of condemning the Iranian seizure of U.S. hostages on humanitarian grounds.

Mr. Nakasone's off-the-cuff commitments to strengthening Japan's defenses have been at times startling. In an interview with Washington Post editors that still haunts his administration, Mr. Nakasone spoke of transforming Japan into an "unsinkable aircraft carrier" and vowed to develop the means of stopping Soviet bombers from penetrating Japan's air space.

At home, he confronted directly the Japan Socialist Party's insistence on "unarmed neutrality," choosing to make it the issue of a parliamentary debate. In a recent speech, Mr. Nakasone called that policy tantamount to "unarmed surrender."

A Foreign Ministry official who is as hawkish as Mr. Nakasone felt uncomfortable with such language. It could, he said, damage the budding effort to use Soviet provocations as a rationale for slowly building up Japan's military budget.

Others believe that merely by tackling the taboos, Mr. Nakasone has created a new mood in Japan that will someday produce a new consensus. They also think that his words have encouraged those in Japan's powerful bureaucracy who share his views but were cautious in their actions out of fear of criticism.

Many predict that Japan's defense budget for next year will make apparent the gap between Mr. Nakasone's public statements and what can be achieved. Japan's national debt is huge, and the governing party is committed to scaling it down through a series of austerity budgets that hold domestic spending to a minimum and permit modest increases in defense expenditures.

The result is that the Defense Agency's plan for gradual expansion is already behind schedule. An analyst said it would take real increases of 10 to 13 percent per year, or nearly twice the increase last year, to get that plan back on schedule.



Prime Minister Yasuhiro Nakasone waves during a rally this month of the governing Liberal Democratic Party at the opening of the election campaign for the lower house.

## INTERNATIONAL EDUCATION DIRECTORY

### BELGIUM

Antwerp's fastest growing independent international schools

#### The E.E.C. School

offers your children the education they need in a competitive, motivating atmosphere. Located in the heart of Antwerp, its fully equipped facilities and program are flexible, designed to provide a combined American and British (G.C.E.) curriculum.

The E.E.C. School has adapted itself to our changing society. Its computer facility is the largest educational installation in the Benelux, and your children will be thoroughly trained and enjoy unlimited terminal time to practice this essential skill.

The school's yearly fees are a pleasant surprise:  
From B.F. 49,000 for kindergarten to B.F. 108,000 for grade 12.  
The E.E.C. School is located at Jacob Jordaanstraat 77-79, 2018 Antwerp.  
For information and registration, contact Prof. J. Wells, headmaster, at his office at Amerikalei 53, 2000 Antwerp. Tel: 03/237.27.18.  
The office is open weekdays all summer from 9 a.m. to 5 p.m.

### FRANCE

LEARN AND LIVE THE FRENCH LANGUAGE

in calm and idyllic surroundings near Monte Carlo. Cap d'Azur, a health resort, offers a wide range of hotels and pensions. The CENTRE MEDITERRANÉEN D'ÉTUDES FRANÇAISES offers 31 years of experience. Whatever your level, you may acquire a mastery of French to suit your professional or cultural needs. Small groups, 4, 8 or 12 students, courses starting every month. Certificate topics and library are available to students supervised by a professor.

since 1952 Brochure with enrollment fees, dates or with board and lodging. CENTRE MEDITERRANÉEN D'ÉTUDES FRANÇAISES 06320 Cap d'Azur (France). Tel: (93) 78.21.59.

### SPAIN

#### AMERICAN SCHOOL OF MALLORCA

AN INTERNATIONAL ACADEMIC INSTITUTION  
Accredited by the Middle States Association • Boarding 7-12 and day 12-18 • The only high school offering pre-engineering and business sequences along with top college prep • The only professional vocational education program in Europe • Students acquire useful skills • Notable history of college admissions • Advanced placement and college placement courses • Specific learning disabilities center that achieves excellent results • Tutoring center for SAT, ACT, TOEFL and other US examinations.

CALLE CRATON, 9 - PORTALS NOUS - MALLORCA - SPAIN  
TEL: 675850/51 - TELEX: 69066-ITEN

### ITALY

ANGLO-ITALIAN INSTITUTE OF ROME

Spring 1984

Looking for Art with this understanding is a complex but rewarding art. Small, select, two-week courses given by distinguished speakers in Rome in April 1984 provide the know-how, long or short-term course also.

Enquiries to: The Secretary, I.I.C., A.I.I.E., Villa Margutta House, Rome, 00187, Italy. Tel: (06) 4781.1441.

Send for a free copy of the

INTERNATIONAL

HERALD TRIBUNE

INTERNATIONAL

EDUCATION

GUIDE

Write to: Françoise Clément,

International Herald Tribune,

181, Avenue Charles-de-Gaulle,

92521 Neuilly Cedex, France.

## Small-Town Rivalries Dominate Harare's Embassy Circuit

By Jack Foisie

Los Angeles Times Service

HARARE, Zimbabwe — When the U.S. Embassy here brought in a detachment of six marines, the Soviet Embassy asked for increased security too, not out of fear, but for reasons of prestige.

This is the sort of one-upmanship that goes on in Harare, where 57 embassies represent governments of the East, the West and the Third World. Harare has become a place of intrigue and gamesmanship.

Now a city of 700,000 people, the capital remains at heart a small town. Social activity on the diplomatic circuit is about the only form of entertainment, and gossip abounds.

The diplomatic list makes it clear that Prime Minister Robert Mugabe is adhering to his position of nonalignment. Of the missions here, 18 can be classified as pro-Western and 12 as pro-Soviet. West Germany and East Germany both have embassies.

Among the African countries that maintain embassies, there are several that accept aid from West and East alike and try to keep on

friendly terms with both Washington and Moscow.

Whatever the flag and whatever the politics, when the diplomatic crowd gets together socially the right degree of correctness is always exercised.

There are occasions, even at a "neutral" gathering, when suspicion and distrust overcome normal diplomatic behavior. Americans, for example, have been instructed to ignore the presence of Cubans, Iraqis and North Koreans. And the icy American stare is reciprocated.

Likewise, Americans usually give a cold shoulder to any Libyans they encounter, and vice versa.

Almost every night there is an embassy affair somewhere in Harare's pleasant suburbs. Often there are two or three on the same night. Zimbabwe protocol officers sometimes find it difficult to see that the host country is adequately represented, and a key to an event's importance is the rank of the Zimbabwean who turns up.

It is a triumph when Prime Minister Mugabe shows up with his wife, Sally. But because they are neototals and homebodies, the

Mugabes appear only rarely on the cocktail circuit.

The Soviet ambassador, Georgy Ter-Gazaryants, who is anxious to strengthen cultural ties, brought in a Bolshoi Ballet troupe last month, and when Mr. Mugabe failed to attend a performance to which he had been invited, the incident provided grist for the gossip mill. Some eyebrows were also raised because the U.S. ambassador, Robert Kealey, did attend.

The way Mr. Mugabe keeps the Russians at arm's length, even though he is a professed Marxist, is a source of quiet amusement on the circuit.

Moscow supported Mr. Mugabe's rival guerrilla leader, Joshua Nkomo, in the long war of independence that ended in 1980. Mr. Mugabe defeated Mr. Nkomo in the election that followed the war and independence from Britain, and a year went by before he allowed the Russians to establish a diplomatic post. First, they had to promise to have nothing to do with Mr. Nkomo, who is no longer of any

major political importance, though he is a member of Parliament.

"Mugabe does not forgive easily," a diplomatic source said.

China, which supported Mr. Mugabe in the war, has been rewarded with Zimbabwe's friendship, and the Chinese are rated among the most charming in the diplomatic community.

In all, more than 500 people enjoy diplomatic privileges in Harare, and in official circles there is some concern that the presence of so many diplomats will make for problems.

"It is assumed that some of them — a goodly number — are gathering intelligence," an official said. "I think you call them 'spooks.'"

South Africa, Zimbabwe's white-ruled neighbor to the south, is considered a natural for some kinds of spying. Relations between the two are tenuous at best — each has only a trade mission in the other's capital — and there is concern that the presence here of so many representatives from Communist countries

## Move by France Blocks Negotiations on Namibia

Reuters

BRUSSELS — A Western mediation effort to bring independence to Namibia has collapsed temporarily because of a French boycott of a five-nation "contact group."

The French reportedly acted because of displeasure with U.S. and South African insistence on linking independence to withdrawal of Cuban troops from neighboring Angola.

The group was set up six years ago to speed independence for South African-administered South-West Africa, which is also known as Namibia. British officials said Thursday that the group was still in being but would probably not meet at any level in the immediate future.

The French decision was announced Wednesday night on the eve of a meeting of NATO's 16 foreign ministers in Brussels.

The French external relations minister, Claude Cheysson, told the foreign ministers of the North Atlantic Treaty Organization on Thursday that France was not proposing abolition of the contact group but saw no point in meeting at present.

Conference sources quoted Mr. Cheysson as saying the decision was based on the contact group having completed its work on all key problems except for one linked issue.

France believed the sole obstacle in a self-rule settlement was that the United States and South Africa wanted it linked to the withdrawal of a reported 25,000 Cuban troops from neighboring Angola.

Senior diplomats of the United States, Britain, Canada and West Germany, the other four members of the group, said they were not consulted in advance by Paris.

First reports from Paris suggested France wanted to pull out of the group completely, but this was disputed by French officials.

Western officials said it appeared unlikely the contact group would be reactivated until the Cuban troop issue had been resolved

and said there was no point in meeting without France, a member since the panel was set up.

They said privately that the French decision could create a serious new blockage.

Some Western diplomats said the French move could be an attempt to put pressure on the Reagan administration and South Africa to drop the linkage idea.

Mr. Cheysson told the National Assembly in Paris on Wednesday that France had decided not to attend new contact group meetings "because it cannot honestly exercise the mandate entrusted to it."

Mr. Cheysson said France, which opposed the linkage demand, had stayed in the contact group because several African countries asked it to do so. The French decision was based on an Angolan view that the panel "could no longer achieve anything."

The group, established after the failure of UN efforts to end South Africa's control over Namibia, achieved a major success last year in persuading South Africa, local political parties and Namibia's black neighbors to accept a package of constitutional measures looking toward free elections in the former German colony.

But the agreement foundered on U.S. and South African insistence on linkage to Cuban troop withdrawal.

There has been no official reaction yet from South Africa.

In Bonn, a South African opposition leader, Frederik van Zyl Stabbert, said France's decision was a setback to efforts to bring Namibia to independence.

He said Mr. Cheysson had made no mention of the move when they had talks in Paris last week.

"Something more is going to be needed than the continual restatement of old positions if a settlement is to be found," he said during a visit by members of his Progressive Federal Party at the invitation of West Germany's Free Democrats.

## South African Nun Gets Jail Sentence For Possessing Anti-Government Tract

The Associated Press

JOHANNESBURG — A judge here has sentenced a Roman Catholic nun to four months in prison on charges of possessing banned anti-government literature.

The judge, J.J. Luther, found Sister Mary Bernard Ncube guilty on Thursday of possessing a pamphlet published by the outlawed African National Congress, the main guerrilla movement fighting to end white-minority rule in South Africa. He sentenced her to 12 months in prison with eight months suspended. She was freed on \$260 bail pending appeal.

Sister Ncube, a 48-year-old black

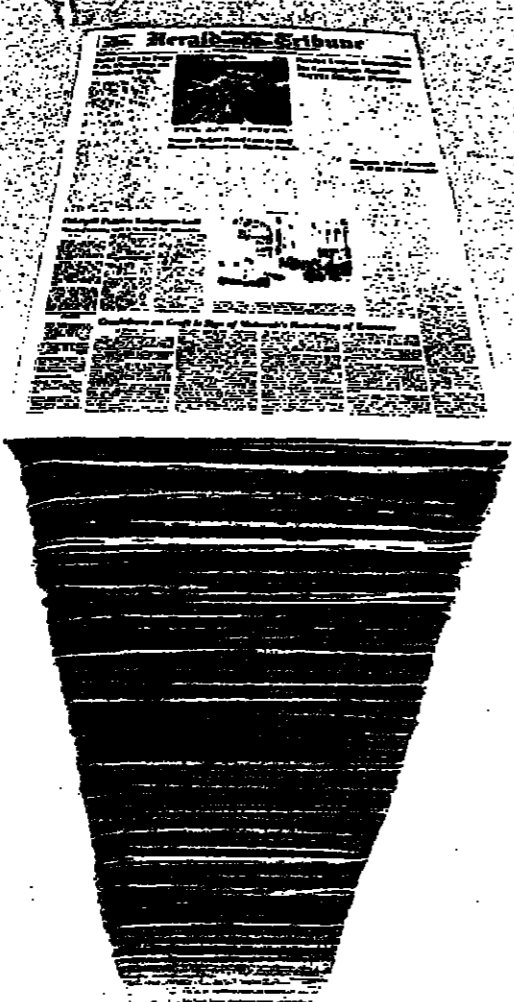
field-worker for the Southern African Catholic Bishops' Conference, pleaded not guilty. She testified that the pamphlet had arrived unsolicited in the mail from London and she did not know its possession was unlawful. The judge said, however, that she had kept the pamphlet since 1980 despite the banning of the guerrilla movement.

Explosion Kills 5 in Manila

Reuters

MANILA — Kegs of gunpowder stored in a basement for making fireworks exploded Friday, killing three children and two women.

biggest market is 30,000 feet up.



Because it's printed in Paris, London, Zurich, Hong Kong, Singapore and The Hague, the International Herald Tribune has achieved a truly global circulation pattern, unique for an international newspaper. Its readership is broadly distributed, including business and government leaders in 164 countries around the world.

The Trib's single biggest market, how-

ever, is 30,000 feet up. The paper sells more copies to 58 international airlines than it does in any one country down below.

These airlines buy the Trib because they know it is "must" reading for well-travelled executives. And advertisers know that the International Herald Tribune reaches their best customers and prospects, at home, in the office — and even on the road.

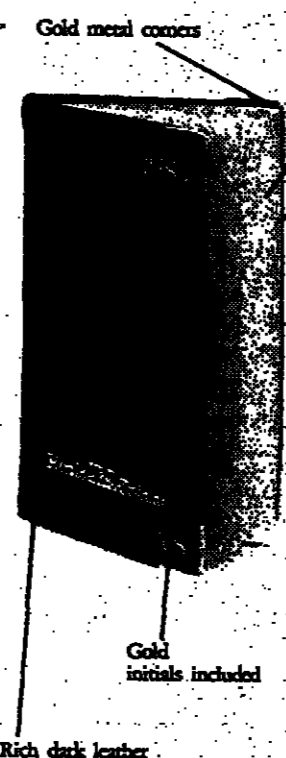
INTERNATIONAL  
**Herald Tribune**

Published Wed. by The New York Times and The Washington Post

FLIGHT SIX MORNINGS A WEEK, ON THE AIRCRAFT OF THESE RESPECTED AIRLINES: AERO MEXICO, AIR AFRIQUE, AIR ALGERIE, AIR CANADA, AIR EUROPE, AIR FLORIDA, AIR FRANCE, AIR INDIA, AIR INTER, AIR KENYA, AIR KOREA, AIR MALAYSIA, AIR MEXICO, AIR NEW ZEALAND, AIR NORWAY, AIR PANAMA, AIR PAKISTAN, AIR QATAR, AIR ROMANIA, AIR RUSSIA, AIR SINGAPORE, AIR SWEDEN, AIR SWITZERLAND, AIR THAI, AIR U.S., AIR U.K., AIR VIETNAM, AIR ZAMBIA, AIR ZIMBABWE.

هكذا من الأصل

**Herald Tribune**  
Our exclusively-designed leather pocket diary is thin, flat and elegant.



Gold metal corners  
Plenty of space for appointments  
Tabbed address section  
No sooner was it introduced than everybody wanted one! The International Herald Tribune diary started as a distinctive Christmas present for a few of our friends, was such a huge success that now we make it available to all our readers. This ingeniously designed diary is flat as can be — neat and luxurious — including a built-in note pad. Slips into your pocket without a bulge and is ready with instant "jotting" paper the second you need it. Personalized with your initials (up to 3) at no extra charge. The perfect Christmas gift for almost anyone, including yourself. — Notepaper sheets are attached on the back of the diary — a simple pull releases them. — Comes with notepad and pen.

PLUS: Conversion tables of weights, measures and currencies; list of national holidays by country; airport distances; chart and other facts. All in this incredible flat diary. For residents of France, payment can be made in French francs; check in the amount of F. 144 must be made to the order of International Herald Tribune.

Order your International Herald Tribune diary today!

U.S. \$18 or equivalent in any other convertible currency. Postage and handling in Europe included. Outside Europe, add \$5 per item for additional postage. Return this coupon with your check or money order (do not send cash) made payable to "Dorland Ltd." and send them to:

Dorland Ltd.  
Attention: Paul Baker  
8 Alexander Road, London SW19 7JZ, England.

Please send me: ☐ 1984 diary (1) ☐ 1985 diary (1)  
Initials desired (please print)  (up to three per diary, no extra charge)

Name  10-12-83  
Address   
City  Country

The Bronze of Pablo S.

assa: A Fla



# HUNGARY

## An Overview of the Economy

### CONTINUITY AND FLEXIBILITY

#### Successful agricultural reforms

#### Small private enterprises legitimized

If there is one subject the average Hungarian loves to talk about then surely it is the economy—even if he only refers to it obliquely. "This is absurd," a leading businessman commented on the spectacular theft of six priceless Renaissance paintings last month from the Budapest Museum of Fine Arts. "I know we are doing everything to boost exports—but not graffiti! Anyway," he added, "I suppose once again we have reached world standards." The reference was to frequent reports in the Hungarian press about the growing efficiency of the country's industry and agriculture.

This obsession with the economy on the part of public and planners alike probably accounts for the phenomenal success of the new magazine "Het Világ-gazdaság" (or "Weekly Economist") which in the short space of four years has shot up to a circulation of nearly 90,000. Sponsored by the Hungarian Chamber of Commerce, but retaining complete editorial independence, "HVG" (as the weekly calls itself for short) relates the Hungarian situation to world economics, using a punchy style and plenty of quotes from foreign business periodicals. The magazine's frankness about all matters relating to trade and industry is welcomed for the most part in official circles for the way in which it contributes to the less-discussed leading to significant reforms in the country's economy, with the certainty of more to come.

Continuity and flexibility are the

two most obvious characteristics which strike the inquisitive observer of the Hungarian economic scene at the end of 1983. Standing on the top floor of the National Planning Office overlooking the Danube the panoramic view includes the massive Castle (representing the former Monarchy), the Freedom Statue on Gellert Hill (standing for the present Socialist regime) and a whole batch of new money-making luxury hotels (as a sign of western presence). And even the Danube itself, Europe's second longest river, stretching from the Black Forest to the Black Sea, symbolizes the key position Hungary has acquired in attempts to bridge the gulf between capitalism and communism.

Expressed in hard monetary terms this seems to be the case. The necessity to tighten belts is proclaimed incessantly in the media. New "economic regulations" are promulgated incessantly to discourage consumption and keep investment down. In the same breath, as it were, the story is told of the average Hungarian who "earns 5000 Forints (a month) of which he spends 6,000, saves 3,000 and puts the rest aside for buying a car".

Part of the answer certainly lies in the so-called "second economy" whereby moonlighting is not only tolerated in Hungary but actually declared part of the official policy. One of Hungary's leading economists, Bela Csikós-Nagy, State Secretary and President of the

Board for Materials and Prices, explaining the latest reform introduced in 1982, said: "We always had small private enterprises. Now we have legitimized them." (The advantage to the state of this legitimization being, of course, that it could henceforth levy taxes on earnings from the "black economy".)

Despite the attention given in the western press to the private sector in Hungary its real importance should not be overestimated. 96% of industry and trade is in state hands. However, the private sector does, undoubtedly, enliven the picture and, to a certain extent, simplify everyday life. If ever you need a plumber or want to get a television set repaired, you no longer have to wait for months for the relevant state enterprise to respond, but get immediate service (at a price) from a self-employed entrepreneur.

Mr. Csikós-Nagy sounded a note of warning in another sector recently though, when he pointed out that the overall rate of inflation in Hungary for 1983 would come out at around 8%, with the figure for 1984 likely to rise slightly to between 8-9%.

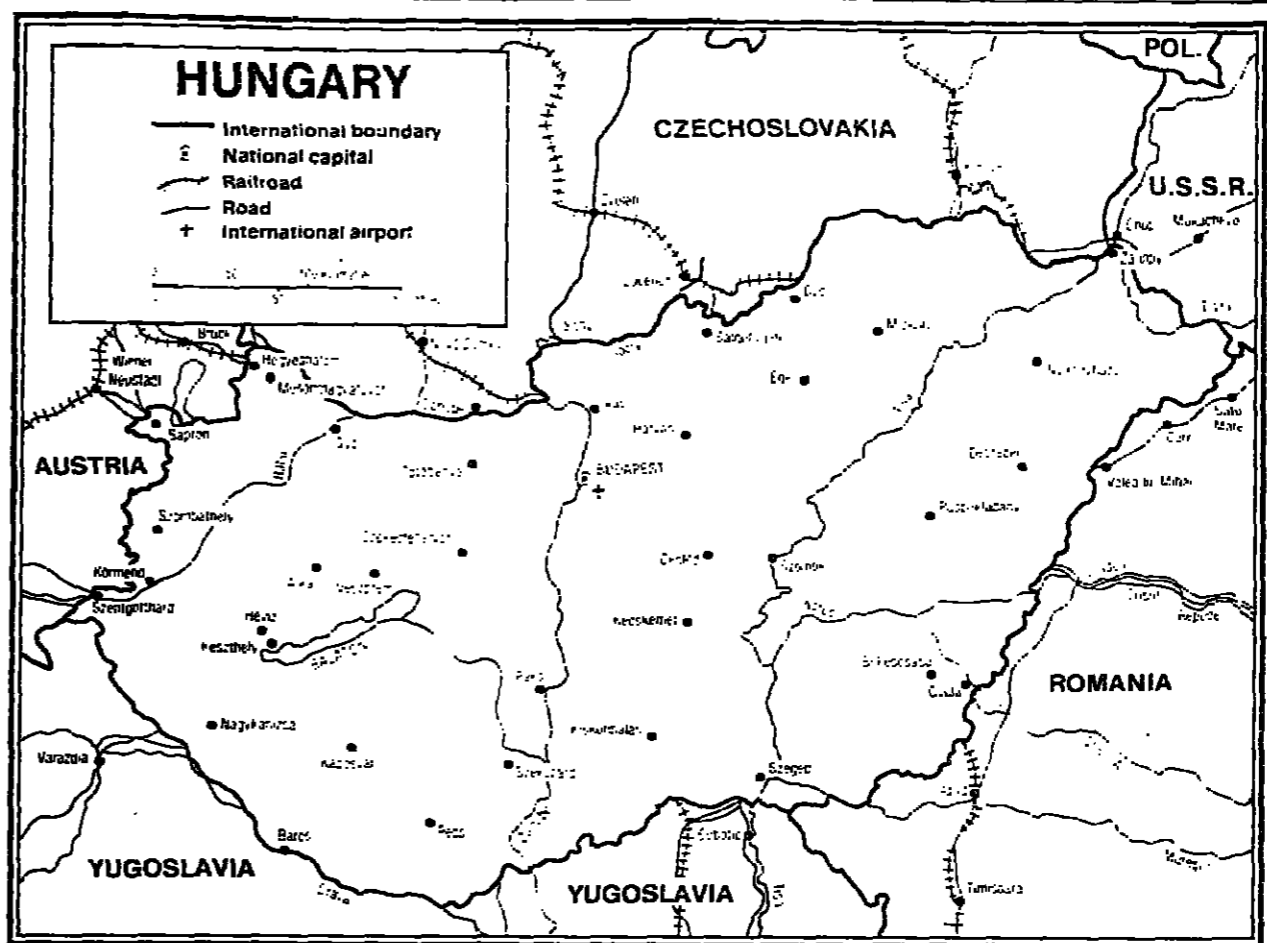
It was in agriculture that the movement towards economic reform first found expression. The success led to the major reforms of industry introduced in 1968. Farm production in the last twelve years has gone up by 65% notwithstanding a decrease in arable land of 293,000 ha. Last year the foodstuffs industry produced 2.6 times as much (on the present price basis) as it did in 1970. There are no noticeable shortages in Hungarian food-stores. The prices of basic foodstuffs are reasonable.

one-way traffic. Many firms in non-Socialist countries are pressing Hungary to be allowed what are, in effect, barter payments. Translektro, the Hungarian electrical industry's foreign trading company, estimates that at least half of the demand for compensation deals now comes from the western side, including requests from some of the most renowned companies in the field.

János Szilágyi, who is also vice-president of the Hungarian Chamber of Commerce, makes no secret of his desire to achieve full convertibility of the country's currency, the Forint. He thinks this too is the long-term aim of János Fekete, who is in charge of international operations for the Hungarian National Bank. And Szilágyi adds: "Fekete (who is 64) would like to see this problem solved before he goes into retirement." However, despite Hungary's good record in meeting foreign debt obligations, Hungarian economists are dubious about full convertibility being achieved within the foreseeable future, although a degree of convertibility in foreign trade might be possible.

The British Foreign Secretary, Sir Geoffrey Howe (formerly Chancellor of the Exchequer), who paid an official visit to Hungary in September, drew attention to the similarity prevailing between the economy of the two countries saying that it was in the interest of both sides to make trade more liberal and to set aside commercial barriers. As he put it: "Socialist and capitalist, eastern and western countries have been hit in the same manner by the effects of the recession." Hungarians are now keenly awaiting the arrival next year of Margaret Thatcher, the British Prime Minister, coming at the invitation of her counterpart in Budapest, György Lázár, Chairman of the Council of Ministers. Mrs Thatcher may well show some interest in the flexible Hungarian approach to a subject close to her own heart, that of trust-busting. Since the beginning of the eighties a good number of large Hungarian enterprises (including the Coal Mining Trust and the Csepel Iron and Metal Works) have been broken down into smaller units in the interests of greater efficiency and of what is called the acceleration of qualitative change in production.

It would be fair to say, though, there is a growing conviction in Hungary—especially among the younger generation of economists—that a comprehensive reform of the economy is called for rather than the piecemeal changes so far seen. These can only be the prelude to, and not a substitute for, an integrated set of measures which could bring startling effects if realized as a package. Fundamental alterations are called for in the economy if Hungary is to adjust itself successfully to what might well later be seen as epochal changes at international level. There is an open, and ongoing, discussion in the Hungarian media about all these problems and it is confidently assumed that important changes will be effected at the turn of 1984/85.



### HUNGARIAN CHAMBER OF COMMERCE

#### Importance of Co-ordinating Role

#### Mr. Tamás Beck President of the Chamber responds to some questions

The Hungarian Chamber of Commerce is an indispensable forum for the exchange of views in the world of business. Its membership consists of a steadily growing number of companies and institutions representing all branches of the economy. Tamás Beck, the Chamber's President, agreed to answer in writing some questions submitted by the IHT's marketing department.

IHT: What is the rôle of the Hungarian Chamber of Commerce in the country's economic life?

T.B.: Among our economic organizations the Hungarian Chamber of Commerce is one of the institutions which consider it their fundamental objective to use the opportunities available to them to the maximum in order to contribute in their own way to the easing of economic contradictions and to the continuation of economic progress. The Hungarian Chamber of Commerce concentrates all its efforts on furthering the greatest possible mutual understanding between the controllers and the controlled. This means, in effect, that the Chamber co-operates in the elaboration and implementation of central decisions affecting the whole economy. It fosters the professional progress of its member companies and eases their path in the international division of labour. It encourages co-operation among the companies, as well as the widening of the professional knowledge of managers and experts.

The Chamber has been successful in getting prior consultation about intended measures and

prior exploration of company reactions. Today the Chamber is "commercial" in name only, because among its member companies view are expressed by both industrial and agricultural producers from both the state owned and the co-operative sector. It is the Chamber's task to represent the interests of its member companies and, if necessary, reconcile them with each other. The aim of this representation of interests is that optimum decisions should be made from the aspect of the future development of the national economy. The Chamber also considers it its task to assist the implementation of decisions already made, and to mobilize its member companies for this purpose.

IHT: How independent then is the Chamber?

T.B.: The Hungarian Chamber of Commerce is just as independent as any American or European chamber of commerce known to your readers. Its immediate supervision is in the hands of the competent Vice-Chairman of the Council of Ministers and thus it is in no way dependent on the Ministry of Foreign Trade or any other body. Its President, Co-Presidents and Vice-Presidents are elected by the 30-35 member Presidium (for a term between two general meetings of members) by secret ballot, free of any outside influence. The President of the Chamber and the majority of its Vice-Presidents are company general-managers or managers who are active in the Hungarian economy. The Presidium elects out of its own members the Executive Board

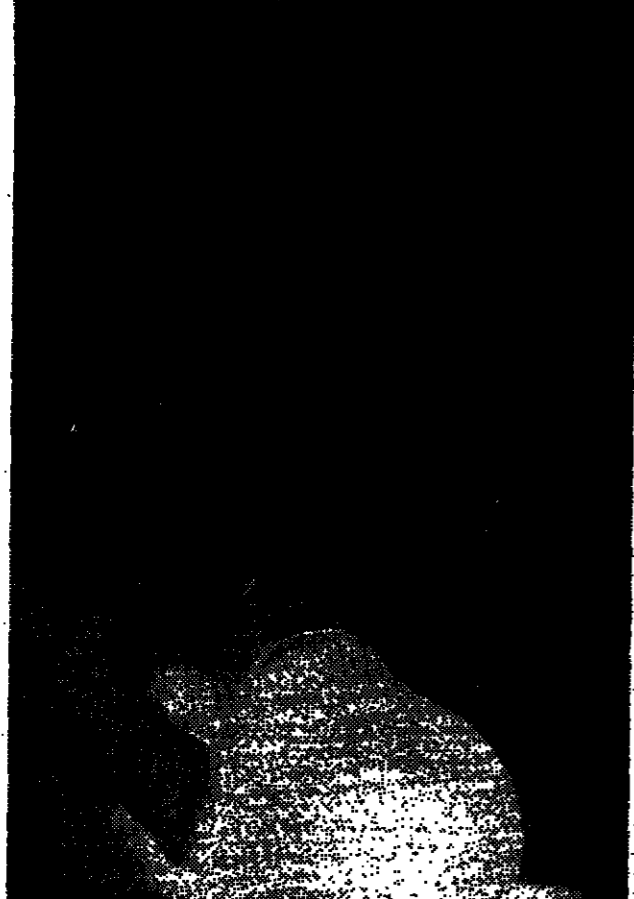
which meets fortnightly and makes quarterly reports to the Presidium. The President of the Chamber, or his representative, takes part from time to time in the meetings of the government when it is dealing with economic questions, and he is permanently invited to the meetings of the different governmental committees which direct the Hungarian economy. The standing and the

rôle of the Hungarian Chamber of Commerce in Hungarian economic life are guaranteed by governmental decree. The Chamber gets no financial support from any state organ and maintains itself out of the membership dues paid by the companies. Membership of the Chamber is entirely voluntary, and at every meeting of the Executive Board the Secretary-General lists the new members as well as those who, being dissatisfied, have terminated their membership.

IHT: How flexible is the Chamber able to operate?

T.B.: This question goes to the core of the matter. The conditions for flexible operation exist, but our sometimes exaggerated

Continued following right



**TUNGSRAM**  
a friend of human eyes



**Don't just read about Hungary!**

IBUSZ, the largest and most experienced Hungarian travel company offers you a wide choice of programmes and tourist services:

- accommodation • currency exchange •
- AVIS rent a car service • sightseeing tours •
- excursions within the country • spa holidays • horseback riding trips •
- congresses and conventions.

For travel information please turn to our representative in Paris:

Tourisme Hongrois IBUSZ  
27, rue du 4 Septembre  
Tel: 742 50 25 Tx: 670 722

or write directly to IBUSZ Management  
H-1364 Budapest  
Felszabadulás tér 5.  
Tel: 186-866 Tx: 22-4990



**IBUSZ**  
HUNGARIAN TRAVEL COMPANY



**Hungary begins with a MALEV flight**

MALEV serves 38 cities in 29 countries and runs 38 agencies throughout Europe, America, Africa and the Middle East.

Coming from overseas MALEV connections are available in every major European city.

Special care is taken of businessmen and all passengers travelling with full fare tickets. MALEV's new COMFORT CLASS provides improved, personalized service and a special menu with a choice of free aperitifs and assorted Hungarian vintage wines.

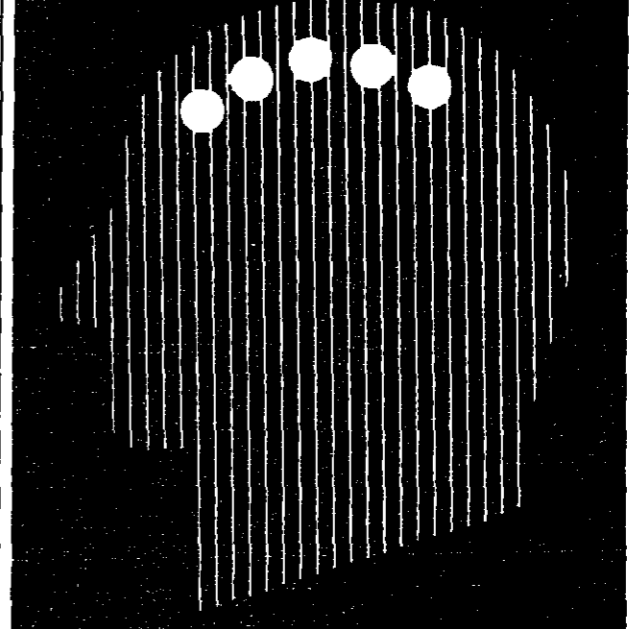
While in transit for more than 4 hours in Budapest, you are invited to take advantage of the sightseeing programs organized by our travel agency MALEV AIR TOURS.

Welcome aboard MALEV. Your satisfaction is our concern. You can take it for granted.

For more information contact either our New York office  
Rockefeller Center  
Room 2602  
630 Fifth Avenue  
Tel: 737-6480  
or any of our offices elsewhere

**The Hungarian Chamber of Commerce is at your service if you want:**

- contacts to the Hungarian market
- information on buying or selling new products in Hungary
- a concise and precise program of visits and negotiations for incoming missions
- contacts for making any kind of presentation, like holding lectures, displaying products and many more
- a journalist specialized in economy, any kind of economic information, contact to interview decision-makers in business and economic policy



Address:  
Budapest V., Kossuth Lajos tér 6-8  
Letters: Budapest, P.O.B. 106, H-1389  
Phone: 533-333 Telex: 22-4745

Read the HCC publications  
— Hungaropress Economic Information  
— Marketing in Hungary  
— The New Hungarian Exporter

Details: Information Service of the  
Hungarian Chamber of Commerce  
Budapest, P.O.B. 106, H-1389

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## OPEC Uncertainties

OPEC says that its prices will remain unchanged into 1984. That you will recognize, is a hope rather than a promise. OPEC is wishing itself a happy and prosperous new year.

OPEC's sales hit a peak volume four years ago. Since then, because of the enormous increase in oil prices and the world recession that they caused, its production has dropped 40 percent. The question is how to allocate that enormous reduction among its 13 members. At the past week's meeting in Geneva, OPEC agreed, more or less, to try again to stick with the production quotas that it adopted last March. But it has no means of enforcing those quotas, and the agreements started to unravel as early as last summer. Saudi Arabia never formally accepted a production ceiling, arguing that it needed latitude to stabilize the market. In recent months the Saudis have lifted their production quite a lot, presumably to prevent any upward movement of prices in anticipation of the American recovery from the recession. But American oil imports have not increased much in the past year, and there is now a widespread fear among the other producers that the price will soon fall.

Since two OPEC members, Iran and Iraq, are at war with each other, the atmosphere in the meetings is hardly conducive to trust and unity. But the hostility between those two countries only sharpens an older quarrel. The

countries with large populations, including Iran, want higher prices to push up their immediate returns. The Saudis are following a strategy that takes a much longer perspective and tries to restrain prices to avoid driving customers to other sources of energy. The Saudis' aid to Iraq is only one reason, and perhaps not the basic one, for Iran's enmity toward them.

Among OPEC's customers there is a tendency to celebrate its internal troubles and to see in them the prospect of steadily declining oil prices. That's pure Pollyanna. A more likely consequence is continuing uncertainty and turbulence in the oil markets. An end to the Iran-Iraq war, now in its fourth year, would imply a sharply lower price of oil as Iraq began exporting again at its previous levels. But no one has found a way to turn off this immensely bloody war, and if it should spread to the Kuwaiti and Saudi oil ports, oil prices would move in the opposite direction—and rapidly.

The United States and Western Europe may yet have reason to regret that they invested so much of their attention and diplomatic energy in one Middle Eastern war—the one in Lebanon—to the neglect of the other. OPEC's meeting in Geneva gives no assurance at all regarding the stability of next year's oil prices. The whole character of the organization, at this point, is a warning to the contrary.

—THE WASHINGTON POST.

## KAL 007: Looking Ahead

From what seems like the remote past comes a report by the International Civil Aviation Organization on the South Korean airliner shot down by the Soviet Union—only last Sept. 1—with the loss of all 269 people on board. The report, by the ICAO's multinational staff, supports the theory that human error in operating navigation equipment led the airliner to stray off course. It rejects the Kremlin's contention that the plane was on a spy mission, and faults the Soviets for not making "exhaustive efforts" to identify it before firing. The report is to be discussed in the coming week by ICAO members, including the Soviet Union, which cold-shouldered the inquiry.

In short, more of the same: confirmation of Moscow's rigid, paranoid conduct in shooting down the plane, and a further demonstration of its icy, self-isolating rejection of international norms in investigating the tragedy.

The ICAO report appears to be the single result of the showdown that is alive and continuing. Some 13 nations—the Europeans plus Japan—broke civil air service with Moscow for varying periods, all now ended. Pan Am had already given up flying to Moscow, and the Reagan administration had halted Aeroflot's American flights after martial law was installed in Poland, so there was only one

civil air sanction within Washington's reach: Aeroflot's two American offices were closed.

The search for debris and the black boxes ended with paltry results a month ago. The Kremlin kept the United States and Japan from searching in Soviet waters and harassed them in international waters. Late in September the Soviets turned over some minimal airplane and personal items, and another delivery is planned this month. There has been no Soviet apology (only a grudging expression of regrets), no compensation and, so far, no cooperation in discussions about preventing a recurrence. These discussions center on clarifying the procedures that intercepting aircraft use in picking up straying airliners.

The American position remains that even if the Soviets did not know that KAL 007 was an airliner, they should have known, and had no cause to fire. The Soviet position remains that the United States provocatively sent an airliner on a spy mission and complained too harshly—although Mr. Reagan did practically nothing else—when the plane was lost.

One cannot and should not stay at a high emotional pitch indefinitely when these episodes occur. But the memory of KAL 007 lingers—and so should its meaning.

—THE WASHINGTON POST.

## Democracy in Caracas

Some political events deserve notice because they are unremarkable. The democratic succession in Venezuela is an example.

For the fourth time since 1958 the outs have won a presidential election. The victor this time is Jaime Lusinchi, a veteran leader of the left-center Democratic Action Party. His victory and its guarantee of stable, constitutional rule are unremarkable because of a remarkable change in Venezuela's traditions.

Simón Bolívar, who was born there, called Venezuela the "barren" of South America. Long neglected by Spain and left largely illiterate, the country lost a fourth of its population in its war of liberation.

What happened later was summarized in 1953 by the historian Hubert Herring: "More than 20 constitutions have been drafted, promulgated and then ignored more than 50 armed revolts have taken toll of life and property. Dictatorship has been the rule. Political parties have meant little, political principles

less. The caudillo has dominated Venezuela from 1830 to the present hour."

Among the most brutal caudillos was the last, Marcos Pérez Jiménez. He seized power in 1952, when Venezuela was moving toward democracy and starting to tap its oil riches. His principal opponent, whom he scorned as a communist stooge, was Rómulo Betancourt, the founder of the Democratic Action Party. An indifferent United States shrugged and carelessly let President Eisenhower bestow a medal on the Venezuelan tyrant.

When Venezuelans finally ousted the corrupt dictator, the first signs were disturbing: a visiting Vice President Nixon was spat upon by a mob in Caracas. But, starting under Mr. Betancourt, Venezuela turned away from the rule of mobs and tyrants to a stable two-party system, and developed an admirable regard for human rights. That is unlikely to change now. What a difference a generation can make.

—THE NEW YORK TIMES.

## Other Opinion

### Britain and the Community

It is very tempting for Britain to sit back and enjoy the crisis into which the failure of the Athens summit has plunged the European Community. The essence of British complaints about the Community has always been that it is too expensive and that far too high a proportion of the money spent goes on agriculture, a sector which is relatively less important in the British economy than in those of most of our partners. In the past Britain has been able to do little about this except rant and rave. By behaving very badly, we have each year

managed to bully or cajole our partners into giving us some of our money back. We had to behave badly because the rules were loaded against us before we ever joined the Community. What we should be doing now is calculating the price we can reasonably expect to charge for our eventual agreement to an increase in "own resources," and employing our most intense and persuasive diplomacy to convince our partners that it is a price worth paying.

The Community as a whole, not just Britain, needs a equitable financial system and a reasonable balance of expenditure.

—The Times (London).

## FROM OUR DEC. 10 PAGES, 75 AND 50 YEARS AGO

### 1908: A Rich Caudillo in Venezuela

NEW YORK — The New York Herald's Caracas correspondent says that General Castro had a letter of credit for an unlimited amount of the Venezuelan nation's money, issued by the Bank of Venezuela in accordance with instructions of the Minister of Finance; that General Castro kept the date of his departure for Europe a secret until two days before he left; that he gave each member of his Cabinet \$100,000 as a stimulus to "be good" during his absence, and that General Castro's business and personal interests, which yield him more than \$1,000,000 in income a year, were entrusted to Dr. Garbarras Guzman, lately Secretary-General of Venezuela, and at one time Charge d'Affaires in Washington.

### 1933: Scores Die in Spanish Uprising

MADRID — Widespread revolt by anarchists and syndicalists, breaking out in Spain during the night [of Dec. 8], assumed alarming proportions [on Dec. 9]. The government has proclaimed a "state of alarm" throughout Spain. Civil guards and troops have been moved to the northeastern provinces, where the situation is most serious. Fighting with the rebels has taken place in the centre of the revolt, resulting in a large number of casualties. Incomplete despatches indicate between 20 and 40 killed and several hundred wounded. Communications with Barcelona and Saragossa have been cut, but clashes between troops and rebels have been reported, so that casualties are believed to exceed all estimates.

## INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUBNER, Publisher

PHILIP M. FOISE  
Executive Editor  
WALTER WELLS  
Editor  
ROBERT K. MCCABE  
Deputy Editor  
SAMUEL ABT  
Associate Editor  
CARL GEWIRTZRENE BONDY  
FRANCOIS DESMAISON  
Director of Circulation  
RICHARD M. MORGAN  
Director of Advertising  
STEPHAN W. CONWAY  
Director of Operations

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92000 Neuilly-sur-Seine, France. Telephone 747-1265. Telex: 612718 (Herald), Cables Herald Paris.

Directeur de la publication: Walter N. Thayer  
Gen. Mgr. Asia: Alan Lecor, 24-24 Hennessey Rd., Hong Kong, Tel. 5-355618, Telex 61170  
Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2, Tel. 836-4802, Telex 262099  
S.A. au capital de 1,200,000 F. RCS Nanterre B 73201126. Comptes Rendus P. 34231  
U.S. subscription: \$280 yearly. Second class postage paid at Long Island City, N.Y. 11101.  
© 1983, International Herald Tribune. All rights reserved.

## How the Superpowers Could End the Iran-Iraq War

By Seth Tillman

WASHINGTON — The acquisition by Iraq of Super Etendard fighter planes, along with the Exocet missiles that already possesses, has opened up the prospect of a major crisis. A superpower confrontation could result if Iraq attacked Iran's oil-exporting facilities; if Iran undertook to block the Strait of Hormuz, as it has threatened to do, and if the United States then took military action, as it has said it would.

I visited Iraq last May and came away convinced that the Iraqis were very nearly desperate to get out of the war. (They are surely more so now.) They were baffled as to how this could be done as long as Ayatollah Khomeini survives. And they seemed genuinely to believe that the superpowers were somehow manipulating events behind the scenes.

Iraqis told me repeatedly that the superpowers could bring the war to an early end if they wanted to. The fact that they had not done so, I was told, only proved that they wanted the war to continue.

My answers to the effect that America had little influence in Iraq and none in Iran, and that there was probably little if any communication between Moscow and Washington about the war, met with disbelief.

The Iraqis believed in the "hidden hand" of the superpowers may be dismissed as familiar Third World paranoia. On the other hand, they may be accurate in their belief that the superpowers could bring the war to an end if they wanted to.

The essential condition is recognition by the Soviet Union and the

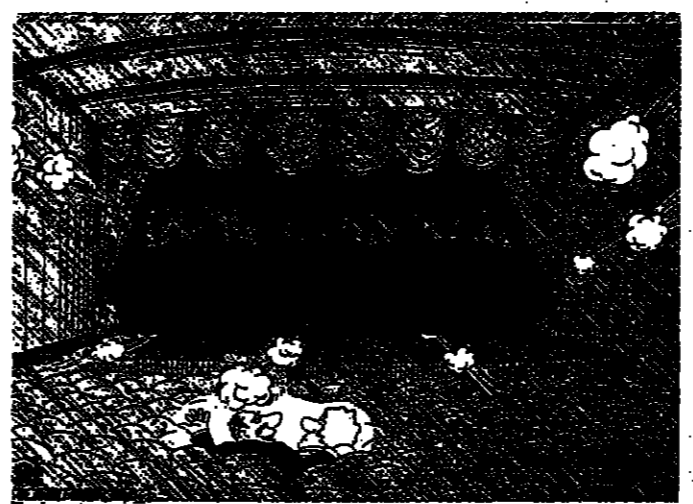
United States that they have a shared interest in ending the war, if for no other reason than its potential for drawing them into confrontation.

There are other plausible reasons for U.S.-Soviet cooperation to end the war. The United States and its allies have an obvious, compelling interest in the stabilization of the Gulf region. Soviet interests, contrary to the official reading of both the Carter and Reagan administrations, may well be compatible with the Western interest.

What the Soviets seem to want as

much as anything in world affairs is co-equal status with the United States as a global power and as an arbiter of world order.

They have shown, too, over the years, that however ready they are to defend what they regard as their own sphere (Poland and Afghanistan) and to discomfit the United States in its sphere when that can be done cheaply or through surrogates (as in Central America), they have no disposition whatever to challenge directly the recognized vital interests of the United States and its allies. There has



"Imagine what crowds they'd draw with raised curtains."

## Why Not Boycott the Belligerents' Oil?

By Charles William Maynes

WASHINGTON — Most people agree that the Iran-Iraq war is terrible but argue that it does not lend itself to outside influence. This view is wrong. The outside world is in a position to use the "oil weapon" against those who invented it.

For three years the war has been a crisis in search of a larger catastrophe. If either side won, or if the other disintegrated in defeat, the balance of power in the oil-rich Gulf area might be permanently destabilized and the military forces of one or both superpowers might be drawn in. Not by accident, many Pentagon war games preparing for global conflict begin with an incident in the Gulf region.

Despite the stakes, the world's reaction has been only hand-wringing impotence. United Nations and non-aligned mediation efforts have failed totally. The superpowers hesitate to get involved. So the world hopes for the best but fears a Sarajevo.

Yet there is a course of action that might ease several problems at once—the threatening course of the war, the strain between Moscow and Washington, and the financial plight of key developing countries such as Mexico, Venezuela and Nigeria. That measure is a mandatory decision by the UN Security Council prohibiting further imports of oil from Iran and Iraq by United Nations members.

There has seldom been a better time for such a measure. Iran and Iraq currently export about 3 million barrels of oil a day. Now that the Gulf states have cut back subsidies to Iraq, neither Iran nor Iraq has another

source of revenue to fund a war that has destroyed an estimated \$200 billion in war material, national infrastructure and oil revenues.

Yet there is oil available to replace the two countries' share of the market. OPEC production in the first half of this year was 16 million barrels per day, the lowest output since 1966. OPEC can produce as much as 31 million barrels a day. Its production fell 12 percent in 1980, 16 percent in 1981 and 17 percent in 1982, and its members suffered a real loss in GNP.

Other countries want to increase their oil receipts. Producers that are not OPEC members are in grave economic trouble because of the decline in oil prices and loss of revenues. Mexico, whose oil represents 75 percent of its exports, is in trouble, and U.S. banks that have loaned it money are in trouble because in 1982 Mexico's oil exports were \$14 billion instead of the anticipated \$20 billion.

Would the Soviet Union cooperate in an embargo? It has supported United Nations calls for a cease-fire. As an oil exporter it would benefit from greater stability in the oil market. As the superpower closest to the conflict, it must be increasingly concerned about the escalation of threats in the Gulf region that could lead to the introduction of American troops and tempt Moscow to invoke the 1921 treaty with Iran that gives it the right to intervene if Iran becomes a base for "anti-Soviet aggression."

As an exercise in prudent crisis management, Moscow might be interested in ways to control the security situation that are also consistent with its economic interests.

Oil-importing countries would suffer if the embargo led to a sharp increase in the price of oil. But the amount of excess production capacity throughout the world suggests that the sanctions could be imposed without this damaging effect.

One objection to the proposal is the "combatants' possible reaction. Iran might look out at the other Gulf states if they tried to take over Iran's market share. But the world already faces this danger, without any prospect of moving Iran and Iraq toward negotiations. If the world must protect the Gulf states from military attack, the legitimizing cover of the Security Council would be useful.

It would be necessary to take into account the legitimate grievances of Iran. A cease-fire in place would not be enough. Iraq should accept the principle of significant reparations for the war it started.

Economic sanctions do not enjoy a good reputation. America's grain embargo against the Soviet Union and the United Nations sanctions against Rhodesia are seen as failures. But Iran and Iraq depend on oil revenues to finance the slaughter, and any measure that might encourage more superpower cooperation, deal with a crisis before it gets out of hand, help Mexico and shore up American banks has a few things to say for it.

The writer is editor of the quarterly Foreign Policy. He contributed this comment to The New York Times.

The writer is a research professor of diplomacy at the Georgetown School of Foreign Service. This comment was contributed to The Washington Post.

## LETTERS TO THE EDITOR

### The Gulf's Oil Is Needed

Regarding the opinion column "Defending the Gulf: Worth It?" (HT, Dec. 2) by James A. Nathan:

Mr. Nathan presents some compelling arguments to question the desirability and the practicability of a rapid deployment force to protect the oil facilities of the Gulf, but the declining importance of the Gulf as a source of oil supply is not one of them, let alone the most important.

The Gulf is now exporting more than 10 million barrels a day, or one-quarter of free world production. Even with zero growth in production, there is no prospect of replacing that production in the foreseeable future from other sources, since close to three-quarters of the estimated 15 million barrels per day of unutilized production capacity is also controlled by the Gulf states. The current base of reserves in these countries, and the probability of more discoveries, rates them as even more dominant in future world oil supplies.

While valuable additions to supplies are being made in many world areas, quantitative comparison with the uniquely favored Gulf is more poetic than real. Mexico is indeed

"eager to sell all it can," but it cannot sell what it does not have and it does not have what it said it did. China's offshore reserves remain largely to be found, if indeed they exist.

It is true that Gulf production has declined some 20 percent over the last year, due to war-imposed curtailment of Iraqi shipments and even more to Saudi attempts to stabilize the market, while non-OPEC production has increased about 5 percent.

It is also true that "the Gulf is not what it was" in terms of production. But what is still is and will remain for the rest of this century is a key element in world oil supplies.

An interdiction of these supplies to the West could be disruptive for any period of time and intolerable for an extended period.

GERALD E. DIXON, Petroconsultants S.A., Geneva.

Cypriots, Falklanders  
Regarding the editorial "No Help for Afonso" (HT, Nov. 27):

The New York Times' comparison of the right of self-determination of the Turkish fraction of Cyprus with that of the inhabitants of the

Falklands is out of place. The Turkish claim might be compared with a claim by the Cubans in Florida, or the Hispanics in New York, for a portion of those states, since they happen to form a substantial minority there—a claim that would obviously make no sense. The inhabitants of the Falklands form the totality of the population, and there is no question of dividing the islands in two.

VASSILIS COOMES, Athens.

Ancient Muzzle-Loaders  
Regarding the travel feature "Of Patriots and Quiltings" (HT, Nov. 18) by Barnaby J. Feder:

Whoever told Mr. Feder that the cannon on the breastworks of Oslo's old Akershus Castle "managed to sink a German cruiser as it moved in on the city" during the invasion of Norway in April 1940 was pulling his leg—hard. The cannon referred to are ancient muzzle-loaders that fired cannon balls. They are used today for ceremonial saluting purposes.

The guns that sank the Blucher, a German cruiser, at Oscarsborg, where the Oslo Fjord becomes very narrow at a point about 25 kilometers

from Oslo. Most of the crew perished and the wreck is still on the bottom opposite the town of Drøbak.

BRIAN M. BARROW, Oslo.

Franco and Diversity  
Regarding the opinion column "In Spain, a Franco Legacy Not Totally to Be Despaired" (HT, Nov. 23):

Victor de la Serna writes that Francisco Franco made Spain "more homogeneous and less divided" and that "this made democracy viable." If it should take 40 years of repressive dictatorship and the wiping out of differences of ideology within a country before a democracy could work, one might ask "Is it worth the price?" In fact, the stability of Spain's present form of government will result from the popular aversion to the preceding fascist regime. But the diversity of the Spanish population—which Franco failed to eradicate—is vital to a meaningful democracy.

PHILIP RUDER, Salamanca, Spain.

As a journalist who has been writing about Spain since shortly before the death of Franco, I was astounded by Mr. de la Serna's article.

## Such Power Isn't Simple To Wield

By Flora Lewis

WASHINGTON — In the view of most Americans and Russians, the United States and the Soviet Union are opposites, and the other is the stubborn source of danger. But in the view of most people elsewhere, America and Russia are "the superpowers." Some see them as mirror images, each one operating deviously, often brutally, practically always selfishly. Some see America as the sponsor of freedom against Soviet tyranny, but they worry about its reliability and about its temptation to overweening bluster.

Either way, no one doubts that between them they hold the fate of the Earth in a way that is beyond control of anyone else. The astronomer Carl Sagan has explained this dramatically in the forthcoming quarterly issue of Foreign Affairs.

There is, he calculated, a virtual certainty of "climatic catastrophe" that would make survival impossible throughout the Northern Hemisphere and dubious in the Southern Hemisphere if the two countries were to detonate their nuclear arsenals. He estimated a threshold at which a nuclear exchange would "darken the world too long for the food chain to keep reproducing; about 10 percent of the existing stock of vegetation."

That is indeed ultimate power, so far beyond the ability of other countries to influence or resist that they do what ordinary mortals usually do when they feel helpless—go on about their business and just hope.

Yet they blame the giants for practically everything, even local irritations that would otherwise be recognized as no more than a nasty rash on the great skin of humanity.

That is the paradox of superpower. Because it could do so much damage, it is humiliated. It intervenes in a tiny country, as the United States did in Grenada; it is seen as arrogantly overriding its own rules on sovereignty and independence. If it stands aside, it is seen as abandoning its principles and dependents.

America is judged on a higher standard than the Soviet Union because its principles are more admired and it has been capable of the generous, democratic practice that it preaches. But this double standard does not make America the automatic, unquestioned white hat that it considers itself to be much of the time. Power of such magnitude is inevitably a "blend," as well as a "solace," for those who must live in its shadow.

When Arabs massacre Arabs or Africans slaughter Africans, that is put down as one of the sad or mad-damning-follies of a turbulent world. But when the United States attacks a smaller power, it is seen as taking a giant's advantage of a pygmy.

Such is the strength of the pygmies and the burden of the giant—a special kind of impotence that Americans feel to be mortal. The very nature of their might ruins in the superpowers, where others can plunge with shameless abandon. And the nature of the system the United States is determined to defend and preserve requires of it a different kind of restraint than the Russians feel.

A superpower then, and particularly America, is obliged to tread softly, not because it is "a pitiful, helpless giant" but because it has such weight. A superpower cannot whip small bullies into line, because a flick of its whip risks destroying so much.

In these circumstances, adventurous rulers or revolutionaries can safely challenge the United States. What is it to Syria's President Hafez al-Assad that American planes bomb some of his installations when he has already killed so many of his own people as well as others?

Going to war is a very different kind of decision for a superpower than for a small country, but a "peacekeeping action" for one seems a warlike act for the other. This is not to say that the United States has no justification for using its force when flooded. But it is limited in what it can use. Frustration is therefore inherent in superpower status.

If America were indeed weak without prestige to cherish, it could afford less responsibility and more duddage. Getting even is a natural urge. It's hard to digest the idea that as citizens of a superpower Americans are expected to be superhuman.

It seems unjust, but so is the capacity to wreak apocalypse for reasons alien to other countries' aspirations. Be they greedy or fearful.

Like everybody else, Americans are obliged to learn that it isn't easy to live with super power.

—The New York Times.

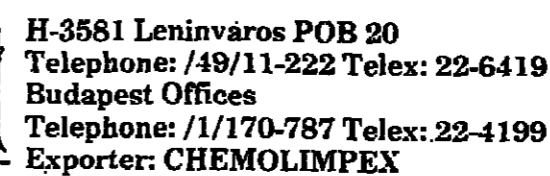
Spaniards often say that Franco's ultimate victory was that he died in bed. I sometimes wonder: If Hitler had been able to control his territorial ambitions and had enjoyed a similar victory, would we now be treated to editorials asserting that in spite of his unfortunate penchant for mass murder, he did stop the spread of communism in Central Europe?

Under "positive aspects" of "the Franco-era legacy," Mr. de la Serna cites making the country "more homogeneous and less divided." This is because Spain's progressive thinkers remain afraid that a truly open change of ideas would send the unformed dinosaurs, who are also the Franco legacy, back on the march.

MARK J. KURLANSKY, Paris.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

سكزا من الأصل



## A PLANNED ECONOMY — WITH A SPECIAL PHILOSOPHY

### Quiet consensus and common sense win the day The Theory and Practice of Pragmatic Planning

"Every conversation on economic planning with a state official in Budapest will start with the bold statement: 'The Hungarian economy is a planned economy' — to be

Credit for the overall success of this policy is given ungrudgingly to János Kádár, First Secretary of the Hungarian Socialist Workers Party who has been at the helm since 1956. In 1964 he entrusted

1968, decentralizing economic decision-making and also permitting a degree of private enterprise.

Hungary continued to formulate Five Year Plans setting targets and priorities for industry and agriculture. Top priority of the current (sixth) Five Year Plan — now just past its mid-point — is consolidation of the economic balance. In 1978 Hungary had a balance of payments deficit of US\$ 1,300 million. This position has now been improved to such an extent that there is actually a surplus of some hundred million dollars annually on current account, although it lags behind the figure hoped for. The main reason given for this is the agricultural set-back incurred as a result of this year's serious drought. "We are bleeding from a thousand wounds," was how Miklós Pulai, Vice-President of the National Planning Office, put it, "but so far we have been able to maintain our priorities and live up to them." This determination to set the record straight has met with appreciative recognition from World Bank and IMF leaders. International institutions (as well as individual countries) with money available are always on the lookout for reliable debtors, ready and able to repay their debts in time. Hungary recently has lived up to its commitments in this respect.

Hungary's financial responsibility has been acknowledged through acceptance of its membership by the International Monetary Fund and the World Bank. The government's planning role is to settle the desired degree of "domestic utilization," meaning the overall figures for domestic consumption and investment, and to enforce economic regulators, meaning taxes and the permitted level of wage-increases. The

jargon is born out of the necessity of combining the advantages of a planned economy with those of private enterprise. It should not lead to the conclusion that Hungary is going over to a market economy (which it is certainly not). It is up to the State Planning Office, located in a gigantic, olive-green building overlooking the Danube, to constantly update and modify the system of economic regulators. A bland announcement in mid-November, for instance, said that "from 1 January 1984 there will be changes in some aspects of the regulations governing company prices, income and profits, agricultural prices and financing, workers' wage-scales, and certain other fields. The Government," the announcement continued, "has also

changed several regulations concerning personal taxation. From 1 January, all taxable income, apart from income from part-time farming, will be liable to a new general income tax."

This apparent threat was greeted in fact with a sigh of relief because, reading the small print, it became plain that private entrepreneurs will be paying less tax under the new economic regulators than under the existing system in which a fairly low cut-off point is reached where any incentive to earn more is cancelled out. Quiet consensus and common sense had won the day again.

Sweeping increases in the price of basic foodstuffs — made in September this year — were likewise introduced in such a

way that no significant protests were heard.

The question always arises about comparisons between the economic management system of the Hungarian national economy and the national economies of the other Comecon countries. Briefly the answer is that there are many similarities but also essential differences. As Hungary sees it the most important point is the type of co-operation mechanism which operates between the Comecon countries. Of less interest is the sort of mechanism operating within the individual bloc states. Last autumn's high-level Comecon meeting in East Berlin showed that in several respects all the member states have to grapple with the same difficulties and problems.



Kossuth Lajos Square — Budapest  
Institute of Party History.

followed in the same breath with words to the effect "but in Hungary there is a special philosophy attached to this". Fundamentally it is planning in reverse. Not from the top of the pyramid to the bottom, but rather from the base upwards, with firm overall constructional rules (in the form of what are known as Economic Regulators) to be followed at every level. However a great deal of latitude is allowed, even encouraged, in between.

ted 100 top Hungarian economists with elaborating a new economic management system, on the understanding that Hungary was and would remain a Socialist country in which the overwhelming majority of the production forces would remain in state hands. Not an economist himself, Kádár said there were to be no tabus but planners would have to accept responsibility for their judgements. The result was the New Economic Mechanism which was formally introduced in



Experimental cabbage culture at Pölöske.

## "MA" — STANDS FOR "MAGYAR"

Malev, Mahart, Masped, Mahir — to name only a few of the most obvious examples — are among the service enterprises which travellers and business-people alike turn to when dealing with Hungary. Magyarország, the Land of the Magyars, is its correct name in Hungarian and that first syllable catches the eye once you are attuned to it, even more swiftly than the equally prevalent "Hung-" or "Hungaro-" in combinations such as Hungexpo or Hungarocamion. All stand for excellence in their own line.

MALEV, the Hungarian national airline, which in the sixtieth year of its operations serves 38 cities in 29 countries including (since November 1983) Dubai in the United Arab Emirates. The passenger fleet at present comprises eight Tupolev T-134s and twenty TU-154s, as well as a number of turbo-prop Ilyushin IL-18 cargo planes. Last year's passenger turnover was 3,050,000 and 15,800 tons of bulk freight were carried.

MAHART, the Hungarian Shipping Company, has been operating since July 1983 as an independent enterprise, no longer under ministerial jurisdiction. Simultaneously a number of structural alterations were made with the aim of improving transport and freight services for customers. Almost 200 river-barges capable of carrying 230,000 tons and 21 ocean-going vessels (110,000 tons) make the Hungarian economy largely independent of foreign shipping lines when it comes to sending goods abroad by water. Mahart ships ply to ports in all continents with the exception of America and Australia. Passenger services (on the Danube — including hydrofoils — and Lake Balaton) only account for a small proportion of the company's turnover.

MASPED and HUNGAROCAMION compete, successfully, for haulage contracts. Hungarocamion, founded in 1966, was the first company to run a collect-and-deliver freight service on the Budapest-London-Budapest run. Now it operates 22 various lines on a regular basis, and is regarded internationally as one of the best companies in the field.

MAHIR is the oldest advertising agency in Hungary. Since 1968 it has been doing advertising for foreign clients too. HUNGEXPO specializes in the organization of international fairs and exhibitions including the dual Budapest event (Spring Fair for investment goods, Autumn Fair for consumer goods). Hungexpo is the official organizer of the Hungarian national exhibitions abroad. As a full-service advertising agency it is a traditional partner of foreign clients wishing to advertise in Hungary.

Among the other service industries promoted by MAGYAR KERESKEDELMI KAMARA (the Hungarian Chamber of Commerce, cf. interview with Tamás Beck) are:

NOVEX, active in the field of technology transfer, and offering a selection of Hungarian licences available for foreign companies. (News-Sheet "Innovation — Inventions — Know-How" available on request from P.O.B. 62, H-1364 Budapest).

LICENCIA, available for advice on patenting products in Hungary, as well as (free of charge) for commercialising technology and marketing it. Has produced "an interesting number of millionaires" (quite legal in Hungary) and was responsible for the sensational success of the Banty hair-ionic.

ALLAMI BIZTOSITO, the state insurance company, which insists the only remarkable thing about it is that it works exactly like insurance companies everywhere else in the world, offering the same services and accepting the same risks. Generates an appreciable part of the country's invisible exports. Emphasizes that this unremarkable status is very important from the point of view of joint-ventures, and is often a factor in deciding whether a country enters into business with Hungary or not.

And not forgetting:

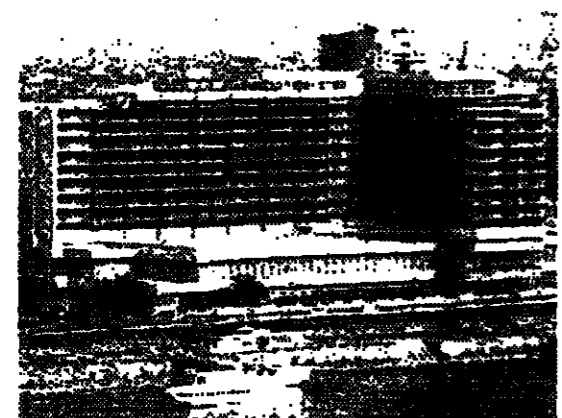
MAVAD, company for hunting excursions and game trading, which now has an edible-snail processing plant.



- All steel cord radial tyres for trucks and buses
- Agricultural front and radial rear tyres
- Extra high pressure, large diameter flexible hoses for on and offshore oil and gas exploitation and exploration
- Taurus Waterproof rubber sheeting
- All types of rubber conveyor belts
- Inflatable air beds

Headquarters for export: Sole Agents for the U.K. and Ireland: TAURUS HUNGARIAN RUBBER WORKS, H-1440 BUDAPEST, P.O. Box 25, WC2B 6PR, TX: 225312  
USA Importers: Federal Republic and Switzerland: TAURUS INTERNATIONAL INCORPORATED, 1550 Route 23, Wayne, N. Jersey 07470, INTER-CHEMOL 6000, FRANKFURT/M., LEERBACHSTRASSE 115.

### IN BUDAPEST THE MOST DEMANDING TRAVELLERS STAY WITH US.



- a 5-star hotel, with 540 rooms, all facing the Danube and the former Royal Castle
- centrally located
- each room with balcony, bathroom, radio, colour-TV, in-house movie, direct-dial telephone, minibar
- 24-hour Room Service
- Bellevue Supper Club — Budapest's only rooftop restaurant with music and entertainment
- Csarda Restaurant with Hungarian specialties and gypsy music
- Banquet facilities for up to 800 persons
- Business Center
- Fitness Center with pool, squash, sauna, massage, solarium and sun-terrace (opening early 1984).

H-1384 Budapest V, Apáczai Cs. J. u. 4., P.O. Box 100, Tel.: 225277 duna h Cable: Dunainter Budapest Tel: 175-122.

## If you are interested in

Medicines  
Intermediates  
Active agents  
Plant protectives  
Preparations  
for veterinary  
medicine

you can find them in the product list of the

# CHINOIN

For detailed information apply to the



Medicines  
Preparations for  
veterinary medicine

MEDIMPEX,  
Hungarian Foreign Trade  
Co. for Pharmaceutical  
Products, H-1808,  
Budapest, POB 126

CHINOIN PHARMACEUTICAL  
AND CHEMICAL WORKS LTD.  
H-1325 Budapest, POB 110  
or to our companies for Foreign  
Trade:

Plant protective  
Chemicals

CHEMOLIMPEX,  
Hungarian Foreign Trade  
Co., for Chemical  
Products, H-1805  
Budapest, POB 121

### EDUCATIONAL AND RECREATION CENTER



GENERAL BUILDING DESIGN INSTITUTE  
H-1016 BUDAPEST I, Kőszida utca 99.  
H-1253 Budapest POB 11.  
Tel.: 225134 Phone 359-980

The sphere of our activity includes the design of housing estates, flats, administrative, sanitary, commercial, educational, cultural, social, sports and industrial buildings. Besides the architectural planning, we undertake the necessary statistical design, that of building services, interior design, acoustics, civil engineering works, roads and traffic, green areas.

Located in the heart of Budapest, on the West side of the historical Chain Bridge, overlooking the Danube, the FORUM HOTEL BUDAPEST is within walking distance of the business, cultural and entertainment center of the city.

408 luxuriously appointed, air-conditioned rooms with private bath, direct-dial telephone, minibar, radio and colour TV with English and German speaking in-house movies. 24-hour room service. Same day laundry and valet.

ST. HUBERT'S  
CORSO  
Banquet Meeting  
Rooms

WATER  
HATTEEN  
FORUM  
JANUSZ  
FITNESS CENTER  
GARAGE

For reservations please contact any Forum Hotel, Forum Sales Office, Pan Am and Supranational Reservation Offices or Usell International Worldwide.



FORUM HOTEL  
Budapest

Budapest V. Apáczai Cs. J. u. 12-14. P.O. Box 231 H-100 Hungary  
Telephone: (361) 78-038 Tel.: 22476 Forum H

هكذا من الأصل

## DRIVE TO DEVELOP TOURISM

### Rapid growth of facilities

### New Convention Centre to open in February 1985

For a country such as Hungary, rich in natural beauty but poor in raw materials, it is imperative to develop those branches of the economy which are able to meet the challenges of the world market. Tourism is one of them. Spectacular growth rates of around 11% annually were registered during the 1960s and early '70s in the numbers of foreign tourists visiting Hungary. Tourist facilities could be expanded, though to keep pace with demand.

In the capital, Budapest, there was a chronic shortage, however, of top class hotels, marginally eased by the opening in 1969 of the Duna-Intercontinental, the first franchise hotel of an international chain in any East European country. This was soon followed, on the other side of the Danube (Duna in Hungarian) by the Budapest-Hilton built cunningly into the remains of a medieval monastery.

Then came the big breakthrough whose effects have been noted with gratitude by individual travellers since the end of 1982. The number of beds in four- and five-star hotels more than doubled from 1,500 to over 3,000 within a four-year period, rendering largely unnecessary long term advance reservations (except at the height of the season). This burst of hotel-building activity derived largely from a US\$300 million loan extended to Hungary by Austria for the realization of tourist facility projects. The first fruits were no less than four brand-new Budapest hotels: the Forum (a slightly down-market cousin of the Inter-Continental), the Hyatt-Atrium, the Buda-Penta and Novotel. All of them achieved 50-60% occupancy during their first year of operation and are confident of doing better soon.

This is, of course, not to forget the traditional establishments whose names were known throughout Europe during the pre-war period. For those who prefer a taste of the good old times there is always the Gellert, where the "Tea Salon" and "Smoke Room" are redolent of the misty days of the old Empire, although the bedrooms have been brought up to modern requirements. Gellert's renowned in-house Greco-Roman swimming pool and the adjoining thermal water basins (indoor and outdoor, newly renovated) are an unbeatable attraction all the year round. And on the woody Margaret Island in the middle of the Danube, somewhat upstream from the centre of the city, there is the Grand Hotel which might have served as the original setting for a story by Ludwig Bemelmans.

On a more modest scale the Austrian building credit has been used for new hotel and pension accommodation (or for improvements) in Budapest itself but also in Sopron, near the Austrian border, as well as Hévíz Spa and Keszthely on Lake Balaton.

Hungarians in the travel industry acknowledge a serious drawback: the country has only one winter season, summer. Lucrative winter sports are scarcely possible in a country whose highest

mountain, Kékestető, barely touches 1,000 metres. All sorts of schemes are afoot to step up tourism in the off-season. The Marketing Director of Novotel, Agnes Gonda, proudly looks out of her office window onto the adjoining building site of the Budapest Convention Centre, to be opened in February 1985. "This," she says, "will fill an important infra-structural gap in the city. So far most of the big

like an attractive partner for the ten year old Penta Tours travel wholesaler (with a Stateside base in Darien, Conn.), while the Hungarians are hopeful of boosting off-season tourist activities such as hunting, riding, fishing, hobby courses, and health treatments. The new joint venture intends to act as a pike in the somewhat lethargic carpool of Hungarian tourism and, as József Hoffmann, OTP Deputy

General-Manager, says "Some healthy competition is always good for business. And our travel agency should offer a new service and add a fresh patch of colour to the trade. Whatever happens it will improve on the work of the other travel agencies."

IBUSZ (the state-owned travel company) and several other tourist enterprises will not be too happy. But, as Mr Hoffmann

concluded, "the customers will benefit." Hungary, thirsty for foreign currency, does not intend to undercut western countries as regards hotel prices. On a dollar-basis at the realistic official rate of exchange they look much the same, per category, as in, say, Austria, France or Italy. Where the Hungarians do score, though, is on the overall package costs. Restaurants are still decidedly inexpensive, excursions are cheap, guides can be hired for a song, taxis are reasonable and if you decide to try your luck on the modern, but crowded Budapest metro or tram service, the 1 Forint flat-rate fare is a gift. Museums and art-galleries, too, are excellent value.

Finally, for air-travellers, Malév, the national carrier, has since the

beginning of 1983 been offering a new service to the public at large. Passengers paying the full fare are offered a seat in the so-called Comfort Class, with choice of position on flights leaving Budapest (smoker, non-smoker, window seat etc), free drinks and special catering. Hungary's only international airport, Ferihegy just outside Budapest, is currently undergoing major alterations and improvements, including the construction of a new passenger terminal building on whose roof there will be a permanent exhibition of historic aircraft. Visas are still required for visitors from most non-Socialist countries (with the exception of Austria and Finland) but frontier procedures have been speeded up somewhat recently. Only at the height of the tourist season are there any appreciable delays.

Following an old tradition started by Count István Széchenyi Hungary is still an important horse-breeding country.

concluded, "the customers will benefit." Hungary, thirsty for foreign currency, does not intend to undercut western countries as regards hotel prices. On a dollar-basis at the realistic official rate of exchange they look much the same, per category, as in, say, Austria, France or Italy. Where the Hungarians do score, though, is on the overall package costs. Restaurants are still decidedly inexpensive, excursions are cheap, guides can be hired for a song, taxis are reasonable and if you decide to try your luck on the modern, but crowded Budapest metro or tram service, the 1 Forint flat-rate fare is a gift. Museums and art-galleries, too, are excellent value.

Finally, for air-travellers, Malév, the national carrier, has since the

beginning of 1983 been offering a new service to the public at large. Passengers paying the full fare are offered a seat in the so-called Comfort Class, with choice of position on flights leaving Budapest (smoker, non-smoker, window seat etc), free drinks and special catering. Hungary's only international airport, Ferihegy just outside Budapest, is currently undergoing major alterations and improvements, including the construction of a new passenger terminal building on whose roof there will be a permanent exhibition of historic aircraft. Visas are still required for visitors from most non-Socialist countries (with the exception of Austria and Finland) but frontier procedures have been speeded up somewhat recently. Only at the height of the tourist season are there any appreciable delays.

Following an old tradition started by Count István Széchenyi Hungary is still an important horse-breeding country.

concluded, "the customers will benefit." Hungary, thirsty for foreign currency, does not intend to undercut western countries as regards hotel prices. On a dollar-basis at the realistic official rate of exchange they look much the same, per category, as in, say, Austria, France or Italy. Where the Hungarians do score, though, is on the overall package costs. Restaurants are still decidedly inexpensive, excursions are cheap, guides can be hired for a song, taxis are reasonable and if you decide to try your luck on the modern, but crowded Budapest metro or tram service, the 1 Forint flat-rate fare is a gift. Museums and art-galleries, too, are excellent value.

Finally, for air-travellers, Malév, the national carrier, has since the

"Company Fires Twelve Managers" - the announcement from a firm employing 24,000 people nationwide would have aroused scant interest outside business circles if it were not - as in autumn 1983 - from a leading enterprise in the People's Republic of Hungary. Tungsram or, to give it its correct name, the United Incandescent Lamp and Electrical Company Ltd, has a tradition going back to the 1890s and had become a fixed star in the Socialist industrial firmament with a product-range covering 10,000 items for delivery all over eastern Europe.

Annual sales in convertible currency amount to around US\$100 million. In common with many other Hungarian enterprises it had developed rapidly - perhaps too rapidly - during the 1970s. Big investments were made and even bigger financial commitments were entered into. By the early '80s the economic problems assumed unmanageable proportions. Creditor banks were getting worried and insisted on sweeping changes. On 1 January 1983 the whole board - with the exception of the Vice-President - was dropped and the second echelon was replaced in October.

The new Chairman of Tungsram (Vice-President since 1977) is Károly Demeter, 52, with technical and managerial background, a fluent English and German speaker, and well acquainted with American corporate methods. His reform plan for the company, based on IBM's Business System Planning, and formulated after studying the organization of direct competitors abroad such as Dutch Philips and West German Osram, involves some drastic streamlining. There were some similarities too with the re-organization undertaken by AEG-Telefunken. This was not easy in a company where a good proportion of the workers followed in the footsteps of their parents and even their grandparents who had been employed during the days of the original company in the

## Total re-organisation at Tungsram

### Diversification lays foundation for the future

Austrian-Hungarian Monarchy. At each stage close consultation was maintained with the trades unions, however, who agreed to an 8% job-cutting programme spread out over two years on the understanding that wages and salaries would be increased. The bulk of the job cuts are being achieved through natural attrition due to retirement. Mr Demeter admits that he would have liked to step up productivity even higher by reducing the work force still further, but is hopeful there will be such a big increase in turnover by 1985 that no more drastic measures will have to be taken.

Parallel with the slimming operation Tungsram is stepping up its

research and development activities. 5-6% of turnover is being ploughed back into R&D. Alongside lamps, components and lamp-making machinery of all kinds the company is branching out into new, related directions.

Since 1976 Hungarian Tungsram has had a licence and know-how contract with Fairchild Corporation for manufacturing integrated circuits, and in 1977 a joint-venture company ACTION TUNGSRAM was formed in East Brunswick, New Jersey. Mr Demeter thinks that diversification should go so far that Tungsram is eventually no longer even mainly a lamp producer. In some respects he is keeping a



Mounting refractor halogen lamps in the Tungsram factory.

close eye on Japan because of sales possibilities but also on account of the exceptionally high quality standards enforced there from which he feels Hungarian industry can only stand to benefit. If Tungsram can succeed in Japan - as it has done, for example, by equipping

Nissan cars with bulbs made in Hungary - then there will be no looking back. Tradition is all very well - and Tungsram has ninety years of it - but progress and profits are better. The company is determined that no shadows of the past should dim its future activities.

## TIPS FOR BUSINESS TRAVELLERS

Hungarian drivers display immense tolerance for foreign motorists who get into the wrong lane in crowded streets of the capital or who risk making U-turns on the busy boulevards to avoid detours of several kilometres.

Do not expect to find re-routing signposts for diversions - as in Budapest at the moment - when major roads are torn up lock-stock-and-barrel for extensions to the underground railway/subway. Either carry a detailed road map or, better still, take along a local inhabitant who knows the quirks of the Hungarian road traffic system.

Three grades of petrol/gas freely available at fairly frequent though (with the exception of Shell) seldom well marked filling stations. Do not expect to have usual windscreen cleaning/oil-check/tyre-pressure attendance offered. A glimpse of foreign currency will work wonders, though, in this respect.

Warning: likelihood of encountering unlit hay-waggons and farm-carts on country-roads at night.

Fairly good availability of taxis in Budapest especially since private owners are now allowed to compete with the two state firms. Drivers will not object to being asked for a receipt for the fare paid.

Telephone service - only partially converted to direct dialling - remains rather frustrating.

If you want to look up the number of a business contact in the telephone book watch out. There is a separate directory for "public subscribers" (i.e., offices, shops, enterprises etc.) as

opposed to the normal alphabetical volumes restricted to private subscribers.

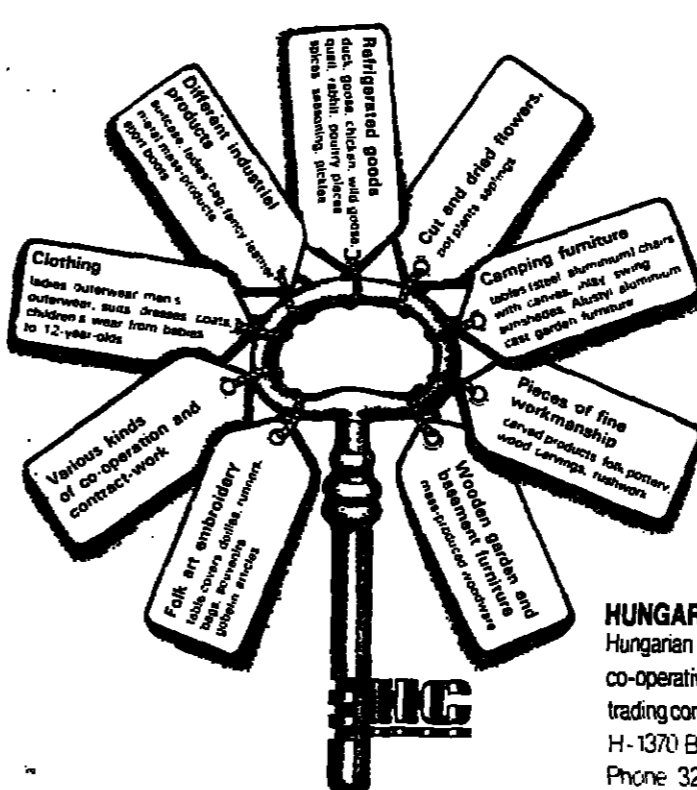
Your portable FM receiver will be useless. Hungary operates in the OIRT (East European) frequency scale which is outside the 75-108 MHz range used in West Europe and North America.

A small supply of western newspapers and magazines are on sale in major hotels but it is good to find out when daily supplies arrive because they tend to be snapped up quickly. M.T.I., the Hungarian News Agency, publishes a twin (English/German) daily - "Daily News - Neueste Nachrichten" - giving a short summary of world news and adequate coverage of Hungarian events, including theatres and concerts. At 6.50 Forint an issue it is a bargain.

In city restaurants and eating places there is always nice glass and china but instead of salt and pepper you get salt and paprika. Menus are printed in three languages in all the better establishments.

A great fuss is made about serving wine. Even carafe "plonk" is ceremoniously presented to the host for tasting first, as well as standard bottled wines which could not be 'corked' because plastic stoppers are used.

Whereas in the '70s western tourists were pestered at every turn in the streets of Budapest by touts wishing to acquire Dollars, Schillings, D-Marks at "advantageous" prices this annoyance has come to a complete halt since: a) the exchange-rate has been brought into line with the real purchasing power of the Forint, and b) Hungarians can have a regular, if small, foreign travel allotment on request.



**HUNGAROCOOP**  
Hungarian  
co-operative foreign  
trading company  
H-1370 Budapest 5 P.O.B. 334  
Phone 329-328 Telex 22 4859

Klima Industrial Cooperative has been engaged in the manufacture of industrial cooling plants for 30 years. On the basis of our own projects and the supplied documentation, we manufacture and mount industrial cooling plants within a capacity range of 25,000 - 4,000,000 kcal/h.

We undertake the planning and execution of complete mechanical cooling equipments, agricultural coolers, fruit storers, cooling plants for the food, chemical, and textile industries, ice houses and ice rinks. We manufacture air coolers, cooling towers, evaporating condensers, heat exchangers from bimetallic ribbed tube. Our new product is the cooling plate made from stainless plate which can be applied generally in the field of food and chemical industry for the cooling of various liquids.

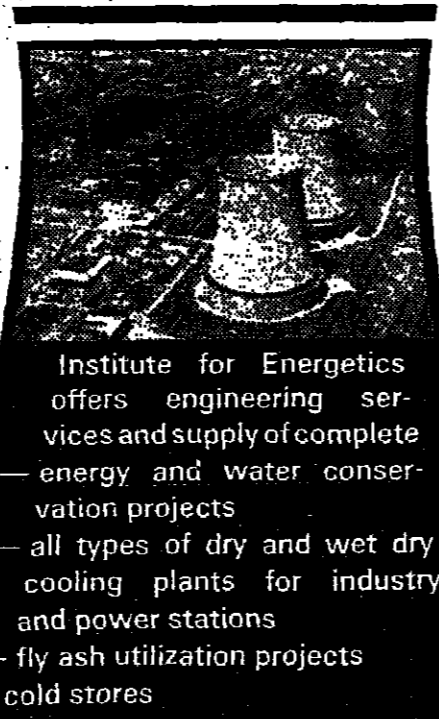
We are ready to establish international relations for co-operation.

We manufacture air filters for power machines, capacity 180-260 HP and for buses and lorries.

KLIMA I. SZ.  
H-1158 Budapest, Cserekeny M.u. 84/b



Exported by: Chemokomplex H-1389 Budapest 62, P.O.B. 141.



Institute for Energetics  
H-1027 Budapest II.  
Bem. rkp. 33-34.  
Telex: 224461



HÖTÉRV

## elektroimpex

BUDAPEST

### Hungarian Foreign Trading Company for Telecommunication and Precision Goods

We deliver:

- Sports equipment
- Public Address systems
- Studio-technical and acoustical equipment
- Security equipment
- Different investment and consumer goods



**ELEKTROIMPEX**  
Address: H-1051, Budapest,  
Műnch Főre u. 11.  
Telex: elimp h 22-5771  
Letters: H-1392, Budapest, P.O.B. 296.

## OVERWHELMING IMPORTANCE OF FOREIGN TRADE

### Significance of U.S. Trade and MFN status

One of the first lessons learnt when studying statistics of the Hungarian economy is the overwhelming importance attached to foreign trade, above all to trade with the West, more specifically with the member countries of OECD and the developing world. The reason is simple: Hungary is far from being sufficient in raw materials, energy carriers and certain consumer goods (cars among them). Four-fifths of the country's oil demand, one-third of all natural gas, one-third of essential chemicals and a lot of timber and various woods have to be imported (mostly from the Soviet Union). A good deal of machinery comes from western countries.

Comparisons are difficult between the rubel-accounting area and countries where settlement is in convertible currency but broadly speaking half of Hungary's foreign trade is with the Comecon area. Of the other half, with the "west", roughly three-quarters is accounted for by the developed countries and one-quarter to one-third (depending upon whether it is imports or exports which are

under consideration) with developing nations. Easily the largest OECD trading partner is West Germany followed by Austria. Next on the list is Italy which is peculiar in that Hungary has an active balance there while with the others it does not. After that the list continues with Iran, the United States, France, Switzerland and Liechtenstein, and Iraq, with the United Kingdom coming roughly tenth. Overall Hungarian exports to the western world are somewhat lower than imports so that there is a chronic deficit Hungary feels strongly about the undeclared, but nevertheless stringent protectionism which prevents it from making the headway it deserves on western European markets. The western countries in effect operate a tariff union which excludes Hungary from the benefits of free trade. This applies not only to the European Economic Community, but also to the countries of EFTA, the European Free Trade Association, which have concluded individual trade agreements with the Common Market. This is particularly disastrous with respect to finished products from

Hungary which have a serious tariff barrier to overcome when being sold in the west. When Hungary joined GATT (the General Agreement on Tariffs and Trade) in 1973 it was required to prove the transparency of its own tariff system. In return it received assurances that the EEC would abolish discriminatory measures, e.g., regarding quantity restrictions. These promises were in accordance with GATT regulations. But then recession reared its ugly head and those assurances were swept under the carpet. Now, there is no arguing that GATT permits the formation of tariff unions, but Hungary sees it as contrary to the spirit of the Agreement that the whole of western Europe should, in effect, be a tariff-free zone to the exclusion of the rest of the world. Admittedly these same tariff barriers apply to the United States and Japan, as well as to the Comecon countries, but on the other hand there are preferences given to developing countries.

One of the effects, as far as Hungary is concerned, has been an intensification of trade links with the United States.

Hungarian exports to the USA are significant in that they include a large amount of machinery and technology, a much higher proportion than in trade with any other western developed country.

A big role is played in this by the Most Favored Nation status accorded under an agreement concluded with the United

States in 1978. Ever since then exports to America have risen annually. This year, for instance, exports will be between US\$ 160-170 million (although imports will still outstrip them — some US\$ 200 million). The snag, so far as Hungary sees it, is that MFN status has to be renewed each year with the corresponding disadvantage that American businessmen are reluctant to enter into any long-term commitment. Hungary would prefer, and has been pressing for, a three-year MFN span.

The other hitch — which applies not only to Hungary among the Comecon countries — is export licensing. Although this has become somewhat clearer during the past year American firms still do not always know whether the goods they want to sell to Hungary are on the COCOM list, and instead of creating potential difficulties for them simply drop the whole deal. A leading civil servant in the Budapest Secretariat for International Economic Relations, the Deputy Director-General, István Nádory, is worried in this respect about the somewhat simplistic view of Hungary which many Americans have. When they actually come to Budapest they are then surprised to see how sophisticated things are — the level of development, the standard of agriculture, the frankness of the discussions. US Vice-President George Bush's recent remarks "differentiating" Hungary from other eastern European countries, for instance, raised more than one eyebrow in this part of the world. No European politician (who might well think the same) would ever express himself so incautiously.

What really counts is Hungary's credit rating in world eyes and

this is distinctly good. Putting the external balance of payments in order has been the Number One priority since 1978, and year by year this has improved. As far as convertible currency is concerned 1981 was the first year when exports and imports were balanced. In 1982 a surplus of some US\$ 520 million was achieved. This year the target was US\$ 800 million but the actual prospects are for only US\$ 600 million (due in large part to the serious shortfall in agricultural output, and exports, as a result of the prolonged drought). With total Hungarian exports of about US\$ 3.5-4.0 billion the US\$ 200 million drop is quite substantial. The medium-term effect will also be disadvantageous since the shortage of fodder will limit agricultural exports next year too. It should not be forgotten that the overall proportion of farm products in total exports from Hungary to western countries is about 28-30%. There is a noticeable trend, in this respect however, away from livestock towards prepared meat products (i.e., the success of canned ham sales in the United States). Furthermore exports of seeds are growing rapidly and establishing a growing reputation in many countries. Of course salami and wine, the traditional products, continue to do well, although labelling specifications are proving an unsurmountable hurdle in some European countries. Insiders know that Hungarian geese-livers are a prime export to France (where they presumably find their way into Strasbourg's famous pâté de foie-gras). And France has responded by selling Hungary a new hybrid duck species for breeding, with low fat, tasty meat and an outside liver which is said to match the quality of goose-liver.

## MEDICAL TECHNOLOGY FOR THE MASSES

### Efficient units at reasonable cost

Developing countries can sometimes postpone industrial investment but it is impossible for them to delay medical investment. This is, at least in part, the reason for the success of Medior, the leading Hungarian enterprise in the field of medical technology. Founded in its present form twenty years ago the Medior works in Budapest are proud of a local surgical instrument-making tradition dating back to the days of the Thirty Year War. Medical instrumentation in 1983 is light-years away from those crude scalpels and bone-saws, but their lineal successors are still in use today and are likely to be for centuries to come. Several thousand various steel instruments are now in the production programme, as well as production items such as disposable injection needles (400 million p.a.) and more than 400 types of apparatus ranging from complete operating theatre equipment to pocket-size diagnostic devices.

Medior's Chairman, István Martos, who is also Vice-President of the Hungarian Chamber of Commerce, insists that he and his company have a very special philosophy: "Our main goal is to

cover the needs of primary health care as defined by the Alma Ata Programme of the World Health Organization, namely 'The Minimum Care for Everybody by the Year 2000'. So we do not aim to produce luxury units for installations which tend to be status symbols rather than effective medical aids. The real danger nowadays in the medical world is the cost-explosion. Every country is experiencing this. Health-care costs are escalating from year to year, and not only in the developed world."

Medior, which has a large trade network abroad and is entitled to export its own products independently of the state trade organization is in a position to supply turnkey hospitals and complete medical systems, in each case robust, efficient units at a reasonable price. That is not the end of the story, though. With clients in the developing countries — in 1983 these have been Nigeria, Algeria and Iraq, for instance — there is then a vital need for follow-up facilities. Medior system-specialists are sent to live on the spot — not in the capital but in the countryside where the hospitals and units are functioning — so that they are always on hand ready to help. This has the additional advantage, of course, that Medior headquarters in Hungary can be kept informed in plenty of time about the next steps planned in the given country's health service. Furthermore, 1,000 — 1,200 foreigners are instructed in care and maintenance every year at Medior's own Training Centre in Budapest. The individual courses

last from ten days to three weeks.

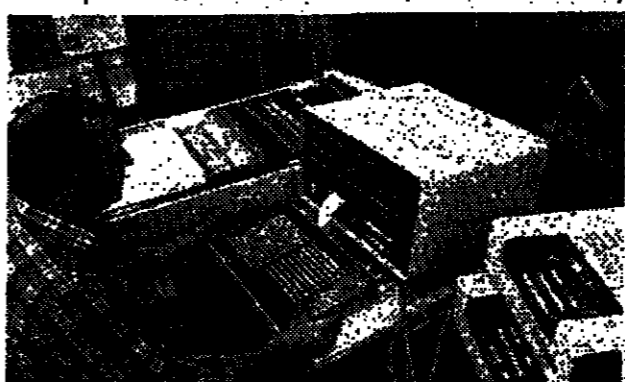
An increasingly important branch of Medior activity — channelled through a section called MECOSY — is the provision of integrated medical systems and sub-systems for countries requiring them and wishing to benefit from the well-tried Hungarian experience. This could include an emergency medical network, with rescue and patient transportation systems, or a complete blood transfusion and supply method. A contract for just such a system has been landed, for instance, in Nigeria at District level.

Nearly ten percent of the company's 8,000 employees are engaged in research and development. Currently they are working on designing a self-contained X-ray unit to WHO specifications which incorporates everything that is essential and nothing which is not. This will still have to function, for instance, in remote districts of an African country where it is not unusual for electricity supplies to be cut off for 6-8 hours at a time. Although there is nothing strategic about this medical equipment Mr Martos regrets that increasing difficulties are being encountered in importing electronic components from the west. So far this has not set back Medior's own production but he sees the time coming when difficulties will have to be circumvented by accelerating domestic micro-electronic design, not only in Hungary but in other Comecon countries as well. Within the past year or so Medior has succeeded in launching a whole range of new apparatus required in the increasingly important field of preventive medicine, such as non-invasive examination equipment (tomographs and the like).

## EXPORTS AND JOINT VENTURES EAST, WEST AND SOUTH

The Men from the Ministry have a mission in Hungary: export is everything for specialists sitting in the well-appointed, finely paneled offices of the Department of Foreign Trade in Budapest. Exporting, but also promoting joint-ventures and projects on third markets. Here, as in so many fields of public life in Hungary, a pragmatic solution has been found to a pressing problem: how to make an inherently bureaucratic body swing in the hard world of business. The answer has been to inject the profit motive, by forming separate companies with clear responsibilities.

cases where intercooperation makes tripartite arrangements with western companies operating in the Third World, e.g., current participation in a pipeline building project in Iraq, using Hungarian manpower and engineering skills. In Egypt there are plans to set up a bottling plant using fruit-juice concentrate from Hungary. With its sights set firmly on providing better service and better conditions in order to get business, intercooperation already has offices in London and Frankfurt-am-Main and is contemplating an additional location in the Far East, probably Kuala Lumpur. Also responsible to the Ministry



Medical instruments for export from the Medior Works at Esztergom.

Take Intercooperation Co. Ltd. for example. The "enterprising enterprise" as it calls itself belongs to the Ministry of Foreign Trade, as a main shareholder, but has participation from the Hungarian National Bank, the Foreign Trading Bank and several large Hungarian companies. Established fifteen years ago specifically to bring together international industrial and agricultural ventures it specializes in purchasing know-how and licences, sometimes financing projects out of its own basic capital. Intercooperation (which, to the confusion of most Hungarians, uses exclusively its English name) claims no particular profile. It can, and does, wheel and deal in the most widely varying sectors. Twist-drills, horticultural implements, complete sewerage plants. Nothing is too small or too large to attract the gold-fingered attention of Intercooperation.

Sometimes export lots of only US\$ 300 are handled, but the sky's the limit. Parallel with foreign trading rights Intercooperation is entitled to undertake any sort of export and import business and to establish joint-ventures for dealing with any type of goods. One of the company's first joint-ventures was set up with Siemens of West Germany — the SICON-TACT company — with 51% Hungarian participation. The other joint company was formed with a Swiss-German group for the production of water-pumps. In the nature of things 99% of Intercooperation's work is with the "western" (i.e., OECD) world together with the developing countries. There are also certain

of Foreign Trade, but acting rather like a Japanese trading house, is Transelektro, the Hungarian Trading Company for Electrical Equipment and Supplies, with an annual turnover of around US\$ 500 million (65% of which is accounted for by exports). Transelektro has led the field during the past four years in the volume of exports from Hungary to non-Socialist countries, but in the nature of things it does good business in eastern Europe too.

The power engineering industry and Hungarian electrical goods are its main territory. In particular, Transelektro exports thermal power station equipment — boilers, generators, turbines etc., either complete or tailored to tender requirements. Similarly, transmission equipment is supplied including high-voltage transmission lines up to 750 kV. Construction is already in progress, for instance, on a 132 kV transmission line in Abu Dhabi. Then there are Hungarian specialties such as cooling systems, using the Heller-Forgo patent for dry regions with no water. Licence agreements have been concluded for this with companies in different parts of the world, including Abu-Suise, Westinghouse and in the People's Republic of China. Now Iran is showing signs of interest too.

Coming down-range somewhat, Transelektro deals in all kinds of industrial electrical equipment — motors, switches, switchgear, transformers — catering equipment, refrigeration equipment for supermarkets and restaurants, and air-conditioning plants for hotels and hospitals. Hungarian built-in kitchens are

supplied to the Netherlands and West Germany. The latest major project was the inauguration in Moscow in November of the third department store — MUM, following GUM and CUM — with complete interior equipment supplied in co-operation with Transelektro by the Keripar company also of Budapest.

One of the most recent profitable Hungarian ministerial export ventures has been in the construction field. The Ministry of Housing decided three or four years ago that the country's building industry should participate more actively in business abroad. EMEXPORT, a company founded by the Ministry, with over a quarter of a century of experience in the field, has since fulfilled contracts in 32 countries. EMEXPORT began its main contracting abroad with the construction of hotels — in Czechoslovakia and the Soviet Union, but has since expanded its activities greatly with such varied projects as a Biological Combining in Mongolia, a glass-works in Cuba, and a container-storage in Hamburg, West Germany. In addition EMEXPORT has been instrumental in providing "instant accommodation" in the shape of simple prefabricated dwellings for the victims of earthquake disasters in Italy.

## SOME HUNGARIAN FIGURES

(For 1982 unless otherwise stated)

Area: 93,033 sq. km.  
Population: 10.71 million  
Population density: 115 per sq. km.  
Work force (1981): 5 million  
Pensioners: 2.18 million

Motorization: 110 private cars (per thousand population)  
Telephones: 125 (per thousand population)

Age: 9.04 million  
Cattle: 1.92 million  
Horses: 0.11 million  
Total farmland (sown area): 4.6 million ha

Average annual growth rate of GDP (1981-82): 2.3%

Per capita GDP (1981): US\$2,500  
(Source: "Statistical Pocket Handbook of Hungary", Budapest, 1983)

Currency: Forint = 100 Fillér  
Exchange-rate: 1 US\$ = 43-44 Forint  
1 £st = 62-64 Forint

Public holidays: 1 January, 4 April, Easter Monday, 1 May, 20 August, 7 November, 25 December, 26 December

## ATRIUM HYATT BUDAPEST

### HUNGARY

H-1051 Budapest, Roosevelt tér 2.  
Tel: (361) 383-000 Telex: 22 5485

Remember, when Budapest had everything for business travel, congress and incentive, except an exciting Atrium hotel on the Danube Promenade? But now there is Hyatt Professionalism and the Personal Touch... It's yours now!

For reservations please contact the hotel directly, or your nearest Hyatt Worldwide Sales Office, or any Hyatt hotel, or MLEV Hungarian Airlines Representation.



## MÉLYÉPTERV

— one of the largest planning institutes of Central Europe — takes over the complete projecting tasks of:

- water supply, drinking and service water purification
- water handling, irrigation and storage
- precipitation and waste water drainage, waste water purification
- electric power supply, gas supply and remote heat supply
- liquid manure and melioration operations
- hydraulic material conveying systems
- civil engineering and building construction



## MÉLYÉPTERV

CONSULTING ENGINEERING  
H-1051 Budapest/Hungary, Vigadó tér 1.  
Telephone: 186-990 Telex: 22-4723

## TRULY, THERE IS A HAND THAT MASTERS ELECTRICITY.

YOU MAY CONSIDER POWER STATIONS, TRANSMISSION OR HOUSEHOLDS, IT IS ALL THE SAME

### TRANSELEKTRO

HUNGARIAN TRADING COMPANY FOR ELECTRICAL EQUIPMENT AND SUPPLIES  
BUDAPEST, P.O. BOX 37114 TELEPHONE: TRANSELEKTRO BUDAPEST TEL. 2201

Industrial Cooperative  
Manufacture of industrial  
machines. On the basis of our  
applied documentation, we  
realize industrial cooling plant  
range of 25 000 — 400 000  
We undertake the planning  
complete mechanical design  
for the food, chemical and  
textile and ice plants. We man-  
ufacture towers, evaporating  
coolers from bimetallic plates  
which is the cooling plate  
and chemical industry  
various types  
We are ready to establish  
for co-operation  
We manufacture air filters for  
capacity 180-250 HP and for  
Klima 1, SZ  
H-1158 Budapest, Cserev  
Klima  
ISZ  
Produced by Chemokomplex H-1158

مركزنا في الأصل



[illegible][illegible]

فَكَرَا مِنَ الْأَرْضِ

## BUSINESS BRIEFS

## Iacocca Agrees to Stay at Chrysler, Wins Big Bonuses of Stock, Options

DETROIT (Combined Dispatches) — Lee A. Iacocca, who has been working without a contract since he joined Chrysler Corp. in 1978, has agreed to remain its chairman for at least three more years in return for substantial bonuses of stock and stock options.

The automaker announced Thursday after its board met in New York that Mr. Iacocca would receive 150,000 Chrysler shares — now worth about \$4.2 million — in three years plus 50,000 more if he stayed with the company an additional year or more. He is to get options to buy 300,000 shares at the current price of \$28 a share after three years and 100,000 after four years.

In the past Mr. Iacocca had suggested that he might retire after the \$1.2 billion in government-guaranteed loans that saved the company from bankruptcy in 1979 and 1980 had been repaid. Lately, however, he has been saying he enjoys his job now that Chrysler's fortunes have improved. The loans were paid off this year, seven years before coming due.

Also Thursday, Chrysler reorganized its car- and truck-development divisions into a new unit that Mr. Iacocca said would provide more cost controls. In other action, the automaker said it would begin buying back an unspecified number of shares of its \$2.75 preferred stock. (NYT, UPI)

## U.S. Money-Fund Assets Off, Yields Up

NEW YORK (UPI) — Assets of U.S. money-market mutual funds were down \$217 million in the latest week to a revised \$165.62 billion. Money-fund yields rose, and were eight basis points, or hundredths of percentage points, more than competing bank accounts.

The Investment Company Institute, a Washington-based industry group, said a \$262-million rise in general-purpose funds was offset by a decline of \$111 million and \$368 million, respectively, in brokerage and institution-only funds. The institute revised the previous week's drop to \$494 million because a new \$86.2-million brokerage fund was late reporting.

The Donoghue Organization said average seven-day yields on money-market funds rose to 8.55 percent from 8.49 percent last week. The company attributed the rise to a jump in rates on repurchase agreements, short-term certificates issued mostly by financial firms using Treasury issues as collateral. Thirty-day yields were unchanged at 8.53 percent.

## Ford U.K. Workers Accept 7.7% Rise

LONDON (Reuters) — Ford Motor Co.'s British subsidiary said Friday that union leaders representing 44,500 workers had accepted a 7.7-percent pay offer from the company.

Industry sources had predicted acceptance following the split vote among Ford workers on a union call to reject the offer and strike starting Jan. 3. About 24,000 workers voted against the offer and 18,000 to accept it, but the 24 Ford plants in Britain voted 13 to 10 to accept, with one unresolved. Ford unions traditionally accept the plant vote.

## Dissident Holders Win Control of GAF

NEW YORK (NYT) — A dissident shareholder group led by Samuel J. Heyman has won the bitter contest for control of GAF Corp. after a three-judge federal appeals panel unanimously overturned a lower court decision siding for a new shareholder vote.

Mr. Heyman, a Connecticut real estate developer, and his slate of directors won 58.3 percent of the vote cast at GAF's annual meeting last April. But he was denied victory in June when a U.S. District Court judge ordered another vote because Mr. Heyman, who was being sued by his sister over his administration of a family trust, had not divulged information related to that suit that might affect the ownership of GAF stock.

On Thursday, the 2d U.S. Circuit Court of Appeals in New York ruled that, "presented with a clear choice, the shareholders voted decisively in favor of the insurgent slate." Given this resounding mandate, the court said, it was inconceivable that fuller disclosure of the family lawsuit would have had a significant effect on the voting.

## EC Resists China's Demand on Textiles

BRUSSELS (Reuters) — Official sources said Friday that after almost three weeks of intensive talks the European Community appeared to be standing firm against pressure from China for a large increase in its textile exports to the EC.

A Chinese delegation came to Brussels on Nov. 21 urging increases averaging well above 20 percent for its textile and clothing exports when a five-year pact runs out at the end of the year, the sources said. But the community, whose domestic producers already face stiff competition from imports, wants average increases kept below 10 percent, they added.

Although no breakthrough is in sight, the talks are expected to continue for a fourth week, the sources said.

## Stenhouse Opposes Bid From Affiliate

LONDON (Reuters) — Stenhouse Holdings Plc. is recommending that shareholders reject the merger offer from its Canadian affiliate, Reed Stenhouse Cos. Ltd., the company said in a statement Friday.

Stenhouse Holdings said its shareholders would receive 631,000 fewer shares in Reed Stenhouse than Stenhouse Holdings now has. Other Stenhouse Holdings assets would be virtually given away, the company maintained.

The terms proposed by Reed Stenhouse consist of one Reed Stenhouse class C share and 20 pence in cash plus one Stenhouse Holdings new dividend share for every five existing Stenhouse Holdings ordinary shares. The offer, announced in mid-November, valued Stenhouse Holdings at about £53 million (\$76.3 million).

## U.S. Reportedly Is Refusing to Match Other Countries' Pledges to the IDA

By Peter Kenyon

PARIS — International talks on raising money for low-cost loans to the world's poorest countries were thrown into confusion Friday by the refusal of the United States to match pledges from other leading Western countries, sources close to the talks report.

Disclosure of the U.S. position came as representatives of the 33 donor nations started a two-day session aimed at setting the funding level for the seventh replenishment of the World Bank's soft-loan affiliate, the International Development Association.

The sources said that all countries except the United States, the largest donor, had expressed a will-

ingness to participate in a plan to provide \$12 billion to the program over the next three years.

The sources said it was evident from the U.S. position that there was no hope of reaching an overall agreement and that it was unclear whether the talks would even continue into a second day.

Marc E. Leland, assistant U.S. Treasury secretary for international affairs, told the meeting that the United States would pay no more than 25 percent of a \$9-billion program for the association over three years. That works out to a \$750-million U.S. contribution a year.

Interviewed before the meeting, Mr. Leland said he had no room to maneuver following the approval of the U.S. position by President Ronald Reagan.

Mr. Leland, the chief U.S. delegate at the talks, warned that the United States is not prepared to bow to pressure from other donors to increase its planned contribution. "Nine billion is a lot of money; it's better than nothing," he said.

Earlier this month World Bank President A.W. Clausen met U.S. officials in an effort to get the United States to provide \$1 billion a year for each of three years, a contribution that would bring total funding for the IDA program to \$12 billion.

The IDA provides loans to the world's poorest nations, mainly in sub-Saharan Africa and South Asia. No interest is charged on the loans, and the borrowers have up to 50 years to repay.

## Panel Tells Allianz To Clarify Its Aims On Eagle Star Bid

Reuters

LONDON — The Monopolies Commission has told Allianz Versicherungs AG that it must clarify its Eagle Star Holdings PLC bid intentions next week, though no specific final date for a statement has been set, a panel spokesman said Friday.

Market sources said Allianz and its financial advisers, Morgan Grenfell & Co., appeared to have broken new ground in the interpretation of the London takeover code earlier this week.

The takeover panel had asked Allianz to state its bid plans by the start of business on Dec. 5.

Allianz said it would improve on the 660 pence (\$9.50) a share competing bid from BAT Industries PLC after holding talks with Eagle Star, but did not specify a figure. The panel said it was satisfied with this statement.

## Bassett May Sell Subsidiary

Reuters

LONDON — Bassett Foods announced Friday that it is holding negotiations with an unidentified party on the possible sale of its Burrett Sweets subsidiary in Australia.

## Dollar Rises to New Peaks, Gold Falls As Regan Sees High Rates Continuing

United Press International

NEW YORK — The U.S. dollar soared Friday in New York and even a decline in the U.S. money supply failed to hinder it. Gold prices eased and ended the week about where they started before this week's rally.

In Zurich gold finished at \$389.50 an ounce, down from Thursday's close of \$401.50. In London, gold closed at \$388.875 an ounce, down from \$402.125 the day before.

Republic Bank closed cash gold in New York at \$389.50 Wednesday, down from \$389.50 Wednesday. On the New York Commodity Exchange the December contract was

settled at \$388.40, down from \$388.90.

"The trading was mostly comprised of longs trying to even out their positions ahead of the weekend," a bullion trader said. "With all of the attention on the dollar there was very little interest in metals."

The dollar was mixed in Europe but advanced strongly in New York, going through 2.75 Deutsche marks at one point and soaring through the key 2.20 level on the Swiss franc.

A Paris dealer said there was initial reaction to reports that Treasury Secretary Donald T. Regan had predicted that U.S. interest rates would stay at current levels.

The Paris dealer also said almost all of his contacts in the United States and Europe are predicting a strong dollar well into 1984.

"When we hit 2.74 marks people thought we had hit a high but an aggressive borrowing in Eurodollars pushed rates so high that it went on skyward," a New York bank dealer said.

Even a \$2.1-billion drop in money supply failed to cause more than a modest loss in the dollar's value late Friday.

In London, the British pound fell to \$1.4355, down from \$1.4415. In New York it was at \$1.4360, down from \$1.4370 Thursday.

## Mattel Inc. Posts \$46.3-Million Loss

United Press International

HAWTHORNE, California — Mattel Inc., suffering from heavy losses from its electronics division and burdensome bank debt, reported Friday a net loss of \$46.3 million on \$329.6 million in sales in its third quarter.

The company predicted a substantial loss for the fiscal year, ending Jan. 28, and said it might sell one or more of its operating subsidiaries.

The loss represented \$2.61 a share for the third quarter, which ended Oct. 29, and \$12.39 a share for the nine months, on sales of \$754 million and a net loss of \$222.8 million for the three quarters. The company's net sales for the nine months were \$1.1 billion with net income of \$62.6 million and earnings of \$2.83 a share.

## Australia to Float Currency Owing to Big Capital Inflow

United Press International

CANBERRA — The Australian government announced Friday it will allow the Australian dollar to float, deregulating future exchange rates.

The move, announced by the federal treasurer, Paul Keating, was prompted by massive flows of capital into the country over the past few weeks. The Australian dollar will now be allowed to float freely instead of being fixed daily by the government-controlled Reserve Bank.

"The new exchange system should mean that external transactions are no longer a major aberrant factor in determining monetary growth," Mr. Keating explained.

The decision means the Australian dollar should be revalued upwards because of the heavy inflow of overseas money that has been fueling growth of the money supply.

The real value of the Australian dollar will not be set until the money market opens for trading on Monday.

Mr. Keating said the float would stop speculation on the Australian market.

"It means the speculators will now be speculating against themselves rather than the Australian

government via the Reserve Bank," Mr. Keating said.

"This will mean we will have a much more flexible and responsive exchange rate management regime," he added.

Mr. Keating said controls relating to tax havens and foreign investment policy would be maintained.

Financial institutions will be permitted to offer foreign currency denominated accounts to their clients, activities previously restricted to the Reserve Bank.

Mr. Keating made his announcement after a special cabinet meeting to decide the fate of the Australian dollar.

Earlier in the day, Australia and New Zealand stopped all trading in foreign currency pending an announcement.

## Why Tangible Assets Will Mean Fortunes

Currency Demand Reverses Earlier Flight from Dollar

Four years ago investors on a global scale were involved in a rampaging flight from the dollar which pushed gold to \$850, copper to \$1.46 per lb. and silver to \$50 while hard currencies were more than 40 percent above today's levels. Then the tide turned and for two years you've heard various experts talking about liquidating tangible assets (metals and cyclical equities such as oil) and buying financial assets (notably, money market funds). IOG researchers and technicians feel the rush back to the dollar now has become as elaborately overdone as the opposite stampede of late '79/early '80. A new IOG Gold Fund was launched in October for the convenience of clients lacking electronic plotting and trading facilities. Initial share and bullion purchases conducted during plunges into the \$380s and \$370s have yielded leveraged gains of 10 to 20 percent — partially realized during the bulge to \$408 on November 30. Fund equity advanced from \$5 to \$5.71 per share in the first six weeks and we're gearing for an acceleration as final shakeouts clear the path for a major upturn. Some exploration shares bought in late October are already up 50 percent; and technical projections indicate prospects for multiple, longer-term gains in numbers of gold-related areas as wider anticipation of actual physical shortages of certain long-neglected tangibles enters the balance. Weekly IOG Growth reports explain methods, selections and reasoning in both precious metals and emerging growth industries in which the original IOG fund has doubled since early '82. If you would like complimentary bulletin coverage and fund details, please telephone, telex or return the coupon.

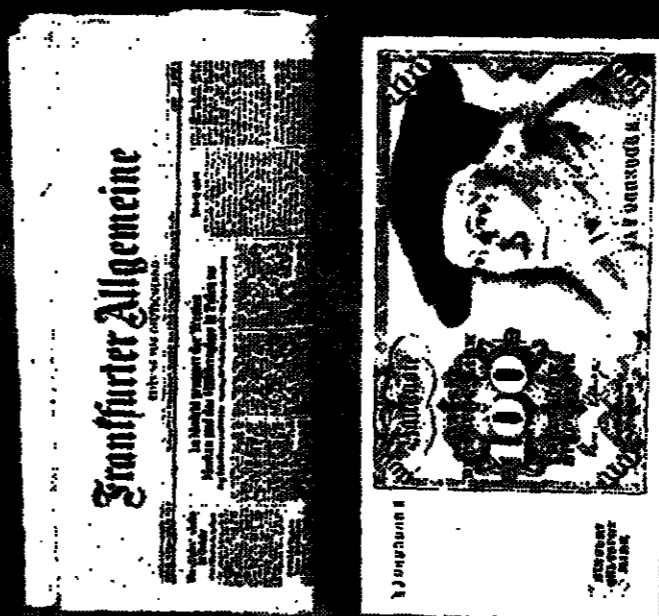
## INTERNATIONAL Offshore Growth, Inc.

P.O. Box 9089, Moscow, Bohemian European representative office: IOG, Inc., 4 Rue de la Presse, 1000 Brussels, Tel.: (02) 217-8360. Telex: Brussels 25327.

Gentlemen: Please begin sending complimentary copies of "Offshore Growth" and IOG fund details.

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_ PHONE: \_\_\_\_\_

## Some straight talk about Frankfurt and business media in Germany.



Whatever anyone tells you, you can't cover German business and finance effectively if you don't cover Frankfurt.

Unlike some countries where the lion's share of the nation's business activity is concentrated in one city — like London, or Paris, or Brussels — Germany has several major centers, each with its own economic strengths. For example, Munich, Hamburg, Stuttgart, Berlin, the Ruhr, the Rhein-Main area, including Frankfurt.

Among these centers, Frankfurt clearly stands out when it comes to finance and investment. Frankfurt is the home of the Bundesbank, Germany's largest stock exchange, over 150 German financial institutions,

and more foreign banks than any other city in Continental Europe. No corporation, bank, or organization whose objectives include communicating with the decisive influences of finance and investment can achieve its aims in Germany if it neglects Frankfurt.

To reach this vital community through advertising, the choice of a publication is cut and dried. Frankfurt Allgemeine Zeitung.

Frankfurter Allgemeine Zeitung is not a business and financial publication in the purest sense. It is a general daily newspaper which at the same time dominates the mainstream of German business and finance like The Wall Street Journal in the U.S.,

The Financial Times in Great Britain, the Neue Zürcher Zeitung in Switzerland, The Nihon Keizai Shimbun in Japan.

And not only in Frankfurt. FAZ is a national publication trusted by Germany's business and financial establishment.

There are, of course, quality business and financial dailies, weeklies

and monthlies in Germany, but none in terms of equivalent market power as in other countries. Among Germans who decide, FAZ performs this function in a class by itself, a fact confirmed by survey after survey.

If straight talk is your priority in media selection, remember FAZ is the capital choice in Frankfurt and Germany.

**Frankfurter Allgemeine**  
ZEITUNG FÜR DEUTSCHLAND  
Trusted by Germans who decide

**IN 1979, THE TOYS AND GAMES SECTOR LOST 48%**

LANDLESS CONTAINERS RETURNED 16%

**IN 1980, HOUSEHOLD GOODS FELL 27%**

LANDLESS CONTAINERS RETURNED 17%

**IN 1981, OIL SHARES FELL NEARLY 20%**

LANDLESS CONTAINERS RETURNED 18%

**IN 1982, HONG KONG INVESTMENTS LOST 49%**

LANDLESS CONTAINERS RETURNED 18%

**SPREAD THE RISK OF HIGH-RETURN INVESTMENT... MAKE LANDLESS CONTAINERS PART OF YOUR PORTFOLIO.**

Commercial property, Australian funds, shipping... virtually every high return investment area has recorded at least one bad year in the last ten. Except for container leasing, which has produced returns of over 15% a year for the last decade.

And demand for containers is expected to double before the end of the 1980's, bringing even higher returns as usage expands. Add the special tax concessions that container investments attract, and you'll see why Landless Containers, one of Britain's biggest operators, are prepared to offer a guaranteed minimum return of 16% p.a. over the next five years to anyone investing \$10,000 or more.

Post the coupon or pick up the phone today

**LISTEN TO LANDLESS**

Tel: Camberley, Surrey, England (0276) 682021 (24 hours)

Container leasing is big, profitable business, with an excellent record. But like every investment opportunity it needs to be looked into carefully. Landless has the experience, and the independence, to give you good advice, without obligation. So if you're considering container investment, listen to Landless before you decide.

Yes, I would like to know more about your guarantee of 16% p.a. for the next five years

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Tel No. (optional) \_\_\_\_\_

Post this coupon today to Landless Containers Ltd, Surrey House, 507 London Road, Camberley, Surrey, GU15 3JY, England. Telex 859977

**LANDLESS CONTAINERS**

سكزامن الأصل



## TransCanada Resisting IBM Official Offer From Bell Canada Expects Faster Growth in '84

By Douglas Martin

New York Times Service

TORONTO—Bell Canada Enterprises, which restructured earlier this year to reach beyond its traditional utility role, has generated considerable investor interest in recent months. It is now causing more interest by trying to acquire Canada's largest pipeline company.

Montreal-based Bell announced this week that it had agreed to pay 167 million Canadian dollars (\$134.2 million), or 31.50 dollars a share, to acquire the 11.8-percent interest in TransCanada Pipelines Ltd. that is held by Dome Canada.

It immediately offered the same price for all of TransCanada's 45 million shares, or an indicated 1.42 billion dollars.

Bell has stressed that it does not want to acquire all of TransCanada, although it is willing to do so. Nonetheless, TransCanada is nervous enough to resist vigorously and has turned the offer "not fair and inequitable from a financial point of view."

The battle, one of the biggest in recent Canadian corporate history, would be equivalent to American Telephone & Telegraph Co. trying to buy part of Taseco Inc., which owns the largest pipeline company in the United States.

To coax shareholders to remain on board, TransCanada, which owns 6,200 miles (9,920 kilometers) of natural-gas pipeline stretching from Alberta to Montreal, is offering shareholders a dividend increase of 13 Canadian cents a share, to 48 cents, and proposing a 2-for-1 stock split.

"It's the money," John Zinder, a company spokesman, said. "We think it's too low."

Analysts say the pipeline company's negative response also reflects an unwillingness to lose control of the company. "They don't want anybody buying a big chunk of them and telling them what to do," said Laird Grantham, an analyst with the Toronto securities firm of

Walwyn Stoddell Cochran Murray Ltd.

Bell executives, however, say that they would be happy with only 20 percent of TransCanada, the amount they must own to include their equity interest in their earnings. They say their main interest is using TransCanada's superior earnings growth to pay their own shareholders dividends.

If Bell were to acquire all of TransCanada, it would displace Canadian Pacific Ltd. as the biggest company in the nation in terms of assets and would be the second biggest in sales, behind Canadian Pacific. A combined Bell-TransCanada would have generated 11.9 billion dollars in sales last year on assets of 18.1 billion dollars, versus Canadian Pacific's 12.3 billion dollars in sales and 17.3 billion dollars in assets.

"Bell can't lose," said an analyst who asked not to be identified. Whatever amount of TransCanada it ends up with will help its earnings; the higher dividends it will receive are almost as profitable as holding cash, and if another company steps in with a higher bid, Bell might make a significant profit, the analyst said.

Mr. Grantham also dismissed criticism by U.S. analysts that Bell Canada should have expanded into high-technology, unregulated businesses where potential returns are greater.

In a letter to shareholders, TransCanada's board said its directors and senior managers would not tender their shares to Bell. The board said its financial adviser had found that premiums paid in virtually all takeover bids that they reviewed "significantly exceeded" Bell's offer.

Bell says its offer "was a premature offer made" and that Dome Canada "thought it was a reasonable offer," according to a Bell spokesman, David Orr. He said, "All we have done is make a secondary offer to interested shareholders; our offer stands."

By Michael Blumstein

New York Times Service

NEW YORK—An official of International Business Machines Corp. has told securities analysts that revenue growth in 1984 will exceed the 14.5-percent pace of recent years, suggesting strong profits.

Allen K. Krowe, IBM's chief financial officer, also said that the company expects to repurchase shares on the open market—rather than issue new ones—for its employee and shareholder stock plans. Fewer shares outstanding will increase the company's earnings per share even more, he said Thursday.

Mr. Krowe also predicted that IBM's 1984 earnings will increase by more than 50 percent, while equipment rentals will continue to decline.

An analyst at Salomon Brothers Inc., Stephen T. McClellan, said: "Most security analysts were somewhat cautious and somewhat guarded about the company's earnings prospects."

Mr. McClellan said analysts had recently been predicting 1984 earnings of \$10 to \$10.25 a share but would now probably raise them to \$10.50 to \$10.75.

In 1982, IBM reported earnings per share of \$7.39 on revenue of \$34.36 billion. Earnings per share were up 31.3 percent from 1981, while revenue was up 18.2 percent.

For the first nine months of 1983, revenue was \$27.29 billion and earnings were \$5.98 a share. Analysts are predicting earnings of about \$9 a share for 1983.

Mr. Krowe indicated that a settlement by Hitachi Ltd. in a dispute with IBM had helped third-quarter profits and would also increase the fourth quarter's earnings.

In October, the two companies announced a settlement in IBM's suit against Hitachi that contended the Japanese company had stolen trade secrets.

## CBS Pulls Out of U.S. Group Offering Cable TV Services to U.K.

By Kathryn Harris

Los Angeles Times Service

HOLLYWOOD—In yet another retreat from cable television, CBS Inc. says it has pulled out of a six-month-old agreement with Columbia Pictures Industries Inc., Home Box Office Inc. and 20th Century-Fox Film Corp. to offer cable-programming services in the United Kingdom and other countries.

CBS decided late last week that foreign pay-TV ventures did not fit in with the company's business plan, according to CBS Broadcast Group's vice president, George Schweitzer.

"As a broadcaster, we have different priorities than the studios do," he said Thursday, adding that the CBS withdrawal is "no knock at all on the venture" and "involves no strain at all" between CBS and

the three other American companies—each of which is participating with CBS in other businesses.

Under the terms of an agreement announced in June, the four American entertainment companies planned to hold 49 percent of a British venture with London-based Goldcrest Films & Television Ltd. Subsequently, some of the American partners said they planned to form similar ventures in other foreign countries, seeking a local partner in each instance.

Mr. Schweitzer said that CBS would not lose money because the British venture was not yet under way. The last foray by CBS into cable-TV programming cost the company an estimated \$50 million or more.

There was no immediate reaction from Columbia Pictures or 20th Century-Fox to the CBS decision.

The Home Box Office president, Frank Biondi Jr., said that he was not sure whether a new partner would be sought to replace CBS, or whether the remaining partners would divide the CBS stake.

CBS last year formed a new motion picture company, called TriStar Pictures, with HBO, a unit of Time Inc., and Columbia Pictures, a subsidiary of Coca-Cola Co.

## INTERNATIONAL POSITIONS



HELARB MANAGEMENT S.A. is a Swiss, Lausanne-based investment, industrial management and corporate finance organization. Our shareholders are Swiss, Kuwaiti and Gulf Region financial institutions. Our operations extend from the Gulf Region through to Europe and the United States.

Due to growth, increasingly larger project commitments and a need to maintain constant liaison with the Gulf Region investment community we now intend to open a permanent office in Kuwait.

To build up, to manage this office and to play a critical role in the business development and growth of the HELARB organization we now seek a

### DIRECTOR -- MIDDLE EAST OPERATIONS

who, after a period of four to six months at HELARB's headquarters in Lausanne—with frequent travel to the Gulf Region—will relocate to Kuwait for a minimum period of three years.

The ideal candidate will be not less than 35, MBA or equivalent with, at least, seven years of experience in managing international direct investment projects. The candidate could come from the banking, industrial, international auditing, international engineering, or management consultancy sectors. What is more important is that he/she is a business building, self-starting professional with a proven track record and able to convince others of their professionalism.

Previous experience in the Middle East would be an advantage.

Terms, conditions etc. will be attractive. After a successful stay in Kuwait the candidate will be relocated to Lausanne and offered further career growth in the HELARB organization.

Starting date: not later than 1 April 1984.

This is a senior appointment reporting directly to HELARB's chief executive. Inquiries and applications, which will be treated in strictest confidence, should be addressed to:

The General Manager and Chief Executive  
Helarb Management S.A.  
30, Ave. Ruchonnet  
P.O. Box 478  
CH-1001 Lausanne  
Tel: 021/20 12 31 Telex: 25 535

## Marketing Consultant

Saudi Arabia—to £25,000

A major financial institution in Riyadh, providing finance for the development of the private industrial sector in the Kingdom, wishes to make this appointment to strengthen its existing team of marketing consultants. You will join a professional organization which is playing a major role in the development of the industrial base of the Kingdom.

You will have a two-fold responsibility: first to assess the viability of a proposed industrial project in marketing terms; and second to provide marketing support and advice to established industry.

Aged 30-40, you must have an appropriate degree and/or an M.B.A., and have had progressive practical experience in the marketing of products, possibly as a Product Manager. Product background is not critical, as you will be required, and must have demonstrated the ability, to apply your skills to a wide range of products. However, applications from those with international marketing experience gained with a blue chip company, possibly in f.m.c.g., will be particularly welcome.

Although you will be working within an established division with good marketing information support, personal qualities of initiative and perseverance, and the ability to produce high quality work to tight time schedules, will be essential.

In addition to the basic salary paid free of tax in Saudi Arabia, a comprehensive benefits package is offered including: performance and end-of-contract bonuses; generous leave and allowances; free accommodation and utilities; leased car; children's education allowances; and first class recreational facilities.

Please reply with a full curriculum vitae, including current compensation level. This will be forwarded direct to our client. List separately organisations to whom your application may not be referred. B. G. Woodrow ref. CD.1505.

Interviews will be held in London in the second half of January.

HAY-MSL Selection and Advertising Limited,  
17 Stratton Street, London W1X 6DB.

مختصون باستطاف العرب

HAY-MSL

middle east.

## SALES PROMOTION MANAGER

A well known publishing group based in Switzerland with leading trade publications in the defense and aerospace fields, has decided to further expand its product range and market penetration.

This provides an excellent opportunity for a

MARKETING AND SALES

PROMOTION MANAGER,

of English mother tongue with good knowledge of French.

The candidate will have

- initiative and organisational talent
- the ability to work independently
- the facility to communicate with a worldwide audience
- preferably experience in the publishing field,

to work as part of a dynamic, international team in a pleasant environment in Geneva, and reporting directly to top management.

Applicants are invited to send their resume with salary history to:  
T 18-118438 Publicitas - P.O. Box - CH-1211 Geneva 3.

## Airlines Try To Adjust

(Continued from Page 13)

Brant and Altair, have gone under, the victims of too rapid and too costly expansion in highly competitive markets.

For those carriers that have hung on, the competition has forced a broad re-examination of fares and flight schedules. And most of the older, bigger airlines have at the same time strengthened their hub systems, channeling more traffic, and hence more connecting flights, through airports where they have a competitive edge.

But more important, deregulation has touched off a serious wave of labor cost-cutting, with the old line carriers warring concessions from their unions in an attempt to match the rock-bottom operating costs that have allowed the discount carriers to exist.

"What deregulation has done is taken the veil off management and exposed the strengths and weaknesses of the various strategies," said Michael E. Levine, president and chief executive of New York Air.

However, Mr. Levine, other airline executives, analysts and economists say it is difficult to isolate the effects of deregulation from the impact of other economic events of the last five years, such as the recession, soaring interest rates and a tripling in the price of jet fuel.

Opponents of deregulation are fond of pointing out that the major carriers lost \$1.2 billion in the years since they have been deregulated. But Julius Malandris, an airline analyst for Salomon Brothers, notes that one could also make the argument that "even without deregulation, the industry's financial problems would probably have been just as severe."

He contends, for instance, that for the last five years the industry has suffered from about 20-percent overcapacity because it went on a binge of buying jumbo jets in the 1970s expecting that its strong traffic growth would continue. Instead, that growth, which peaked in 1979 with 317 million paying passengers, dropped sharply in 1980, there were 297 million paying passengers, then 285 million in 1981. There was a slight recovery in 1982, to 293 million.

At the same time, the industry did little to reduce the number of planes it was flying.

In an effort to fill those empty seats the industry resorted to heavy discounting.

The analysts and executives agree, however, that deregulation did accelerate the trend toward discount fares. As new carriers began flying in key markets across the United States, their main strategy for attracting customers was lower fares. And the result was often bitter fare wars.

But even after five years, the 14 new carriers that are commonly acknowledged as the products of deregulation are carrying only 2.4 percent of the total traffic, according to a recent analysis made by the Air Transport Association, the trade group.

That number, however, may underestimate the market impact of the new carriers. "Though they are only 2.4 percent of the domestic marketplace," said C.E. Meyer Jr., resident and chief executive of IFA, "they participate in almost one-third of the routes. By doing so they set the fare standard and the older carriers have to adapt to that."

## ADVERTISEMENT INTERNATIONAL FUNDS

9th December 1983

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following symbols indicate frequency of quotations supplied for the funds: (D)—daily; (W)—weekly; (B)—bi-monthly; (Q)—quarterly; (Y)—yearly.

AL-AMAL MANAGEMENT CO. SA. SOFIO GROUP GENEVA  
(M) Al-Mal Fund \$1,381.12 (Y) Porton Sec. & Est. \$1,377.80

BANK JULIUS BAER & CO. LTD. UNION BANK OF SWITZERLAND  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF AMERICA & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANQUE INDOSUEZ SF 782.38 UNION INVESTMENT FRANKFURT  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

BANK OF NEW YORK & CO. INC. BNP PARIBAS  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00  
(D) Cash \$1,119.99 (D) Bond-Invest \$1,268.00

## Largest U.S. Real Estate & Business Expo

Miami, Florida February 3-6, 1984  
Coconut Grove Convention Center

AMREM '84 American Resources Emporium, Inc.

Contact America's leading Real Estate, Industrial and Commercial firms at AMREM '84.

More than 10,000 international guests to attend.

Free seminars.

For Free Guest Tickets and Further Information, Write: AMREM, P.O. Box 611841, Miami, Florida 33261

tel: (305) 891-7076, telex: 153472, airtel: AMREM

For Free Guest Tickets and Further Information, Write: AMREM, P.O. Box 611841, Miami, Florida 33261

tel: (305) 891-7076, telex: 153472, airtel: AMREM

For Free Guest Tickets and Further Information, Write: AMREM, P.O. Box 611841, Miami, Florida 33261

### Responsible exportation MOYEN-ORIENT

Participer avec une équipe jeune et motivée au développement d'une entreprise française à taille humaine (400 personnes), un des leaders dans un secteur d'avenir, en prenant en charge le Moyen-Orient au sein de la Division Export, c'est le challenge que propose la Société TEZIER (Valeo) FILIALE DE UNAGRAM, premier groupe semencier européen, à un professionnel du commerce international (H/F).

Une formation d'ingénieur agronome ESC, ainsi qu'une expérience export de 4-5 ans acquise de préférence au Moyen-Orient

هكذا من الأصل



**Bert Rosenfield**

DOWN		DOWN		DOWN		DOWN	
45 Refuse	87 Son of Geo.	84 Grinace	106 Cant				
47 Roadside weed	69 Favorable	85 Kazakh,	106 Very red				
48 Monogram of J. Silver's creator	66 economic sign	85 Kazakh, Uzbeck et al.	106 Very red heavenly body				
52 Bone shaped like a certain seed	70 Behave like Krakatoa	87 Lie-detector inventor	106 Desert in Israel				
54 Hawkins or Thompson	71 Slayer of Paris	87 becomes a crime	109 Bowler's "imiting"				
59 Crablike item	74 Relative of 70	89 Handlet's "before"	111 Dross				
60 Wrath	75 Psychologist May	91 Molest feeder	112 Flag				
61 Id adherent	78 River on Zaire's boundary	92 Start of a famous pellidrome	113 S. P. I. is one				
62 Joshua's co-survivor	79 Young boys	93 Mosaic place	113 Saw-filer's need				
63 Abbr. re ergs, etc.	81 Aristotle's "political animal"	95 Distributed	116 Gulf of Aqaba port				
65 Azas precursor	83 Communist	97 Animate Vassal	117 — "y Plaza," Montana's motto				
66 Lucy, to Linus	83 Command from Montgomery	99 becomes vessel	120 Bantle of the —: 1918				
		101 Super club					

London Gyr  
Nestle  
Soylent